



FINAL REPORT **Volume 2**

ANNEXES

Evaluation of the EU FLEGT Action Plan (Forest Law Enforcement Governance and Trade) 2003-2014

Final Revised Draft
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S-FOR-S



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ACRONYMS

ADB	Asian Development Bank
AFD	Agence Française de Développement
AfDB	African Development Bank
AM	Aide-Mémoire
AML	Anti-Money Laundering
AP	Action Plan
ASEM	Asia Europe Meeting
ATD	Accounting and Transparency Directive
ATIBT	Association Technique Internationale des Bois Tropicaux
BRICS	Brazil, Russia, India, China and South Africa
BV OLB	Bureau Veritas - Origine et Légalité des Bois
CAR	Central African Republic
CBO	Community Based Organization
CBFP	Community Based Forest Programme
CIFOR	Centre for International Forest Research
CITES	Convention on International Trade in Endangered Species
DEVCO	Directorate General Development and Cooperation of the EC
CoC	Chain of custody
CSO	Civil society organization
COP	Conference of Parties
DC(I)	Development Cooperation (Instrument)
DEVCO C2	DEVCO – Climate change, environment, natural resources and water unit
DD (S)	Due Diligence (System)
DFI	Development Finance Institution
DFID	Department for International Development
DG	Directorate General (of the European Commission)
DG-GROW	DG Enterprise and Industries
DG-ENV	DG Environment
DRC	Democratic Republic Congo
EBRD	European Bank for Reconstruction and Development
EC	European Commission
ECA	Export Credit Agency
EEAS	European External Action Service
EFFACE	European Union Action programme to fight environmental crime
EFI	European Forest Institute
EIA	Environmental Investigation Agency
EIB	European Investment Bank
EITI	Extractive Industry Transparency Initiative
ENGO	Environmental NGO
ENRTP	Thematic programme on Environment and Sustainable Management of Natural Resources including Energy
EP	European Parliament
EQ	Evaluation Question
ETTF	European Timber Trade Federation
EU (D)	European Union (Delegation)
EUPP	European Procurement Policy
EUR	Euro (€)
EUTR	European Union Timber Regulation
F&I	Finance and Investment
FAO	Food and Agriculture Organisation
FBI	Forest Based Industries
FERN	Name of a Environmental NGO

FGMC	Forest Governance, Markets and Climate programme (UK)
FLA	Forest Legality Alliance
FLEG/T	Forest Law Enforcement Governance / and Trade
FSC	Forest Stewardship Council
FSM	Forest Sector Monitoring
FTA	Free Trade Agreements
FTE	Full time equivalent
FW	FLEGT Week
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GFTN	Global Forest & Trade Network
GTF	Global Timber Forum
GTS	Global Traceability Solutions
GTTN	Global Timber Tracking Network
GW	Global Witness
IADB	Inter-American Development Bank
IFC	International Finance Corporation
IFM	Independent Forest Monitoring
IMM	Independent Market Monitoring (project)
IO	Independent Observation
ITTO	International Timber Trade Organization
JIC	Joint Implementation Committee
LF (M)	Logical Framework (Matrix)
M&E	Monitoring and Evaluation
MO	Monitoring Organisation
MS	Member State
NA	Not applicable
NFP	National Forest Programme
NRM	Natural Resources Management
NGO	Non-Governmental Organisation
OECD	Organisation for Economic Co-operation and Development
OVI	Objectively Verifiable Indicator
PAFC	Pan African Forest Certification
PC	Producer Country
PEFC	Programme for the Endorsement of Certification Schemes
PES	Payments of Ecosystem Services
PNG	Papua New Guinea
PPP	Public Procurement Policy
PS (I)	Private Sector (Initiative)
PSO	Private Sector Organization
RECOFTC	Regional Community Forestry Training Centre for Asia and the Pacific
REDD+	Reducing Emissions from Deforestation and Forest Degradation
REM	Resource Extraction Monitoring
RMI	Raw Material Initiative
ROM	Result Oriented Monitoring
RPP	Responsible Purchasing Policy
SC	Steering Committee
SCS LHV	SCS Global Services - Legal Harvest Verification
SFM	Sustainable Forest Management
S-FOR-S	Sustainable Forest Services
SFWG	Sustainable Forestry Working Group
SGS	Société Générale de Surveillance SA

SME	Small and Medium Enterprise
SSI	Semi Structured Interview
STTC	Sustainable Timber Trade Coalition
TA	Technical Assistance
TFA	Tropical Forest Alliance
TEREA	Terre Environnement Aménagement
TFT	Tropical Forest Trust (formerly The Forest Trust, now just TFT)
TI	Transparency International
TLAS	Timber Legality Assurance System
TLTV	Timber Legality and Traceability Verification
TM	Team (of FLEGT APE)
ToR	Terms of Reference
TRG	Track Record Global Ltd.
TTF	Timber Trade Federation
TTAP	Timber Trade Action Plan
UK	United Kingdom
UN	United Nations
UNDP	United Nations Development Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNFF	United Nations Forum on Forests
UNODC	United Nations Office on Drugs and Crime
UNREDD	United Nations REDD Programme
US(A)	United States (of America)
VLC	Verification of Legal Compliance
VLO	Verified Legal Origin (verification)
VPA	Voluntary Partnership Agreement
WB	World Bank
WTO	World Trade Organization
WTS	Wood Tracking System
WWF	World Wide Fund for Nature

Annex 1 Terms of Reference for Evaluation of the EU FLEGT Action Plan

I. INTRODUCTION AND CONTEXT OF THE ASSIGNMENT

I.1. Background

Illegal logging takes place when timber is harvested in violation of national laws. Illegal logging has many negative economic, environmental and social consequences. Globally, it causes an economic losses estimated in billions of euro a year, part of which in taxes that governments cannot collect. Economic models suggest that illegal logging depresses world prices for forest products. The illegal trade harms legitimate businesses, especially small and medium-sized enterprises. It contributes to deforestation and to environmental degradation, which leads to loss of biodiversity, destruction of habitats for animals, soil erosion, changes to water cycles and carbon emissions that fuel climate change. In some cases illegal logging fuels criminal activity and is sometimes associated with organised crime; in some cases, armed groups engaged in civil conflict have funded their fighting through illegal logging.

The G8 put illegal logging on the international agenda in 1998, when the G8 Foreign Ministers launched the Action Programme on Forests that featured illegal logging as one of the five issues of particular importance to be addressed. In 2005, the G8 Environment and Development Ministers committed themselves to a range of different actions to combat illegal logging including cooperation with producer countries, trade-related measures and engaging with the private sector and consumers. The outcome of the ministerial conference was endorsed by the G8 leaders at the Gleneagles Summit in 2005, where G8 leaders adopted the “Gleneagles Plan of Action: Climate Change, Clean Energy and Sustainable Development,” in which they committed themselves to take forward conclusions endorsed at the ministerial conference.

A number of regional ministerial conferences on forest law enforcement and governance created the political “space” at national and regional levels to address the complex and politically sensitive issues related to illegal logging. Co-hosted by both wood “producer” and “consumer” governments and the World Bank, and in partnership with major stakeholders from civil society and the private sector, these ministerial-level political processes have aimed to mobilise international commitment from both producer, consumer and donor governments to increase efforts to combat illegal logging as well as the associated trade and corruption in the forest-based sector. The first regional Ministerial Conference on Forest Law Enforcement and Governance (FLEG) took place in the East Asia and Pacific region in September 2001 in Bali, Indonesia: it adopted the Bali Declaration whereby participating countries committed themselves to, inter alia, intensify national efforts and strengthen bilateral, regional and multilateral collaboration to address violations of forest law, including forest crime. Subsequently, a ministerial process was instigated in Africa (Ministerial Conference, October

2003, Yaoundé, Cameroon) and resulted in the AFLEG Declaration and Action Plan. In the Declaration, governments expressed their intention to, inter alia: mobilise financial resources for FLEG; provide economic opportunities for forest-dependent communities to reduce illegal activities; promote cooperation between law enforcement agencies within and among countries; involve stakeholders in decision making; raise awareness of FLEG issues; and explore means of demonstrating the legality and sustainability of forest products. The Europe and North Asia Ministerial Conference on Forest Law Enforcement and Governance (ENAFLEG) in

2005 led to the St Petersburg Declaration, an expression of commitment by 44 governments from the ENA region and other participating countries to take action to address illegal logging and associated forest crimes, which also identified an Indicative List of Actions.

Meanwhile, the Commission had already begun work on the EU response to illegal logging following the Ministerial Conference in Indonesia in September 2001 and organized an international workshop in Brussels in April 2002 to which experts from the main wood- producing and importing countries, forest-based industries, civil society and other stakeholders were invited as part of the process of developing an EU Action Plan. The Action Plan represents a contribution to the Plan of

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implementation of the World Summit on Sustainable Development, held in Johannesburg in 2002. In follow-up, the Commission began drafting an EU policy document in the form of a Commission communication to the Council and European Parliament.

I.2. The EU FLEGT Action Plan:

a. Description

In 2003, the EU Council of Ministers and the European Parliament adopted the EU Action Plan on Forest Law Enforcement Governance and Trade (the FLEGT AP), as proposed by the Commission in its communication COM (2003) 251 of 21 May 2003. The EU FLEGT AP set out how the EU would tackle illegal logging and its associated trade in a collaborative and coordinated way with consumer and producer countries, the private sector and other stakeholders. The Communication sets out the vision to combat illegal logging, and how it can put into practice: "...the EU Action Plan for Forest Law Enforcement Governance and Trade (FLEGT) sets out a process and a package of measures through which the European Commission proposes to address the growing problem of illegal logging and related trade.[...]. The Action Plan is the start of a process which places particular emphasis on governance reforms and capacity building, supported by actions aimed at developing multilateral cooperation and complementary demand-side measures designed to reduce the consumption of illegally harvested timber in the EU (and ultimately major consumer markets elsewhere in the world)."

The document goes on to enumerate reasons for the EU's interest in the subject: "Illegal logging thus undermines many essential elements of the EC's development objectives: public sector financing for development targeted at the poor, peace, security, good governance, the fight against corruption, and sustainable environmental management".

The Action Plan also puts the fight against illegal logging in a broader perspective: "This Action Plan adopts the same approach taken in the Africa and Asia regional processes, and deals only with the question of legality, but it should be noted that the EU's wider objective is to encourage sustainable forest management. Since in many countries forest legislation is based on the premise of sustainable forest management, better law enforcement will in general lead to more sustainable forest management. Where this is not the case the EU should encourage a review of the legal framework. Better forest governance is therefore an important step on the path to sustainable development. The Action Plan should thus be placed in the context of the overall efforts of the European Community to achieve sustainable forest management, both within and outside the EU."

The Council endorsed the Action Plan in October 2003 (Council Conclusions 2003/C 268/01) as "a first step to tackle the urgent issue of illegal logging and its associated trade in a collaborative and coordinated way with consumer and producer countries, the private sector and other stakeholders"; it was further stated that the Council: "acknowledges the fact that forest law enforcement, governance and trade needs to be addressed within the framework of sustainable development, sustainable forest management and poverty reduction, as well as social equity and national sovereignty". The Council stated, 'in particular' that it: "Stresses the importance of strengthened governance in the forest sector, and the positive impact this has on reducing poverty. Further, that the Council: "Urges the Community and Member States to enter into political dialogue with key target countries to instigate forest governance reforms."

The EU FLEGT Action Plan sets out a process and a package of measures tackling both the demand (EU market) and the supply (producer countries) sides; it proposes a coordinated EU response drawing on the different strengths and capacities of the Commission and EU Member States. The measures proposed are structured in seven areas:

1. Support to timber-producing countries: The Action Plan recognizes that Development co-operation has an important role to play and proposes to mainstream FLEGT into programming, use budget lines and regional and country programmes to finance activities. "Efforts will be focused on promoting equitable and just solutions to the illegal logging problem which do not have an adverse impact on poor people; helping partner countries to build systems to verify timber has been

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harvested legally; promoting transparency of information; capacity building for partner country governments and civil society; and promoting policy reform.”

2. Trade in timber: “The EU will initiate a longer-term process of dialogue with wood producing and wood-consuming countries to extend international collaboration to tackle illegal logging and to develop a multilateral framework on which actions could be based. In the immediate term, a voluntary licensing scheme is proposed, whereby partner countries issue a permit attesting to the legality of timber exported to the EU. This will require a Council Regulation for implementation. The Commission will review options for, and the impact of, further measures, including, in the absence of multilateral progress, the feasibility of legislation to control the imports of illegally produced timber into the EU.” The action plan describes the basic requirements for the FLEGT licensing scheme and describes a “hypothetical Forest Partnership Agreement”.

3. Public procurement: “Practical information will be provided to guide contracting authorities on how to deal with legality when specifying timber in procurement procedures.”

4. Private sector initiatives: “Measures are proposed to encourage private sector initiatives for good practice in the forest sector, including the use of voluntary codes of conduct to source only legal timber.”

5. Financing and investment safeguards: “Banks and financial institutions which invest in the forest sector should be encouraged to develop due diligence procedures which take account of the environmental and social impact of forest sector lending; including conformity with relevant legislation. Export Credit Agencies should be encouraged to develop guidance on improved project screening procedures and codes of practice for forest sector projects.”

6. Supporting the Action Plan with existing legislative instruments (anti money laundering legislations; Convention on International Trade of Endangered Species and other legislative instruments).

7. Conflict timber: support work to define conflict timber, to tackle the issue in the framework of development cooperation and of FLEGT.

The Plan also proposes some practical arrangements for implementation: “To support implementation of the above activities, a co-ordinated EU response is proposed, drawing on the different strengths and capacities of the Commission and EU Member States. A joint work programme will be prepared with Member States.” The evaluation exercise will need to fully take into account the specificities of the FLEGT Action Plan, which is neither a traditional development cooperation programme, nor a plan with defined timeline, budget, targets or logical framework. It combines dimensions of trade, environment, governance and development and entails action both in the EU/other wood markets and in wood producing countries, mainly in the tropics.

b. Implementation state of play

A considerable investment of political, human and financial resources has been made by the Commission and by EU Member States in implementation of the Action Plan, in particular the design and implementation of the “EU Timber regulation” and of the negotiation and implementation of bilateral FLEGT Voluntary Partnership Agreements (VPA).

1) A large number of development cooperation projects have been financed by the EU and its Member States in support of the FLEGT AP. Considerable efforts have been deployed by a number of producer countries to improve their forest governance, law enforcement and their trade in legal wood-based products.

2) Two sets of regulations have been adopted under the FLEGT Action Plan:

- The Council Regulation (EC) No 2173/2005 on the establishment of a FLEGT licensing scheme for imports of timber into the European Community (“the FLEGT Regulation”) and Regulation (EC) No 1024/2008 of 17 October 2008 (implementing measures)

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- The Regulation (EU) No 995/2010 of the European Parliament and of the Council of 20

October 2010 laying down the obligations of operators who place timber and timber products on the market (“the EU Timber Regulation”) and its implementing acts (Commission delegated Regulation of 23.2.2012 on the procedural rules for the recognition and withdrawal of recognition of monitoring organisations and Commission implementing Regulation (EU) No 607/2012 of 6 July 2012 on the detailed rules concerning the due diligence system and the frequency and nature of the checks on monitoring organisations)

3) As of December 2013, in the framework of the FLEGT Regulation, Voluntary Partnership Agreements have been concluded with six countries (Cameroon, Central Africa Republic, Ghana, Indonesia, Liberia, and Republic of Congo) and are in negotiation with nine countries (Côte d’Ivoire, Democratic Republic of Congo, Gabon, Guyana, Honduras, Laos, Malaysia, Thailand and Vietnam). Around fifteen other countries have expressed strong interest in FLEGT and have benefitted from specific activities (information, awareness raising, stakeholder consultations etc.). See map in Appendix 1.

4) The “EU Timber Regulation” entered into force in 2010 and came into application on 3rd of March 2013. As required by the regulation, the Commission will review its functioning and effectiveness by December 2015 and every six years thereafter, based on reporting on and experience with the application of the Regulation from the Member States.

5) As of 2011 eleven EU MS1 have adopted a public procurement policy having specific provisions for timber and timber products. Eight of these public procurements policies specifically recognise and will favour FLEGT-licensed wood and wood-based products. The European Commission has established a formal guidance to Member States on green procurement policies. This guidance specifically recognises FLEGT-licensed wood as compliant with these procurement requirements.

6) Private sector initiatives: the practices of many EU wood-based companies and federations have changed in a number of ways as a result of the actions by the EU. Beyond a greater acceptance by the private sector of the need to verify legality, companies have adopted voluntary codes of conduct, procurement policies and chain-of-custody initiatives, particularly in the woodworking, furniture, paper and those parts of the construction sector concerned with wooden construction elements and wood-framed building. In parallel, voluntary private certification schemes continue to progress both in terms of number of companies, chain-of-custody schemes for wood from certified forests and certified forest areas. According to the information collected in the preparation of the FLEGT Action Plan report 2003-2010, seventeen EU governments have worked with the private sector to advance the aims of FLEGT and, after the adoption of EU legislation, to inform stakeholders on its practical and legal implications.

7) Financing and investment safeguards and due diligence: the Accounting Directives (78/660/EEC and 83/349/EEC) and the Transparency Directive (2004/109/EC) have been amended in 2013. A small but vitally important part of the amendments was to include provisions to improve the transparency of payments made to governments all over the world by EU-based companies operating in primary forests, both through a country-by-country reporting system and specific reporting on a project basis (where payments have been attributed to specific projects).

8) Conflict timber: the Commission and five Member States supported work related to forests and conflict during the period under review. The UN Security Council Resolution 1478 (2003) on banning wood imports from Liberia is one of them. However it appears that the concept of ‘conflict timber’ did not capture attention in the same way as ‘conflict diamonds’.

FLEGT AP implementation has also faced a number of challenges, including:

¹ Source: FLEGT Action Plan Progress report : Austria, Belgium, Bulgaria, Cyprus, Denmark, Finland, France, Germany, Italy, the Netherlands and the United Kingdom

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- A sharp decrease of the share of EU markets in the international trade of tropical woods and growing trade flows of raw wood to China and other emerging markets and a big drop in the EU market share represented by such woods.
- Growing importance of other drivers of deforestation and forest degradation, like growing competition for (forest) land resulting from demographic growth, economic development such as agricultural and mining development and energy demands, and the growing demand of commodities on local, regional and international markets.
- Significant gap between the ambition of the FLEGT VPAs, and the reality of some of the partner countries, compounded by the complexity of the licensing systems to be established, leading to major difficulties and delays in their implementation.
- Challenges linked to wood made available by the conversion of forest land to other uses and to the participation of micro small and medium operators in the production and trade of legal timber.
- Resource constraints in the European Commission, in EU Delegations and in Member States.
- Uneven involvement of EU Member States.

c. Evaluation and Monitoring provisions

The FLEGT Action Plan does not include specific provisions for monitoring and evaluation. Even so, many of the projects financed under the Action Plan have been subject to specific monitoring and/or evaluations. In late 2010 the European Commission and EU Member States assessed progress in the implementation of the Action Plan. The European Forest Institute (EFI) was commissioned to produce a report that summarised the actions taken by the Commission and Member States and their perceptions of progress. A separate and parallel mandatory

review of the EU Timber Regulation will be carried out in 2015, which will focus on enforcement of its provisions based on reporting by Member States²².

II. SPECIFICATIONS OF THE ASSIGNMENT

II.1. Objectives of the evaluation

1. Document and assess progress and achievements, as well as any possible shortcomings and/or gaps: what has been undertaken and achieved under the FLEGT Action Plan? What have been the main challenges, limitations, gaps and shortcomings? What are the impacts so far (intended and unintended)? What are the indications that the Action Plan is producing changes that are likely to lead to a significant reduction of illegal logging?
2. Assess and analyze changes in the global context (including the evolution of global timber trade flows, international policies on forests, drivers of deforestation, changing governance challenges and other policy initiatives complementing the AP) and how they affect the relevance and the implementation of the Action Plan.
3. Draw lessons and formulate recommendations that could guide future EU efforts on forest law enforcement, governance and trade and, more broadly, on reversing the loss of forest cover and

²² The EU Timber Regulation review will focus on monitoring the efficiency of the implementation and enforcement of the legislation across the EU. The following particular issues will be monitored and the findings will feed in a final analysis and report: type of measures and range of penalties applicable to infringements as well as enforcement measures actually taken by national competent authorities (CA) against operators or monitoring organisations (MO); checks carried out by national CA on operators and MOs; cost for operators to meet the requirements of the regulation; number and size of operators using a due diligence system of a MO and the cost of the service; substantiated concerns from third parties received and handled by CAs; any significant change in trends and pattern in trade in timber and timber products; the need to reduce or extend the product coverage.

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promoting sustainable management of forest resources based on the findings under objectives 1 and 2.

The evaluation will be an opportunity to (re)engage with key stakeholders and to compile, evaluate and summarize the expectations of different constituents in Europe and in EU partner countries regarding future action. It will be forward-looking, providing lessons learnt and recommendations. Its outcome will contribute to informed decisions on future action by the EU, Member States, partner countries and key stakeholders, based on a comprehensive, focused analysis of progress after 11 years of the FLEGT action plan.

II.2. Scope of the evaluation

The evaluation will cover the first 11 years of implementation of the FLEGT Action Plan (2004-2014). The evaluation will aim at covering all actions under the EU FLEGT AP, by EU institutions, Member States, partner countries, including efforts undertaken through various state and non-state actors and international organizations. It will look at the seven areas (see above) of the Action Plan and their interrelationships.

The evaluation will look both at relevant action in the EU and other consumer markets and in producer countries (including VPA and non-VPA countries), as well as the development of multilateral cooperation framework to fight illegal logging (including global initiatives such as REDD+, ITTO, FAO, UNFF).

Particular attention will be dedicated to the Voluntary Partnership Agreements (VPAs), which are at the heart of the Action Plan and have mobilized substantial resources on the part of partner countries, the Commission and, in some cases, Member States.

A separate and parallel mandatory review of the EU Timber Regulation will be carried out in 2015, which will focus on enforcement of its provisions based on reporting by Member States.

The results of the EUTR review will feed into the overall evaluation, which will assess the effectiveness, efficiency, relevance and added value of the regulation, as a key component of the Action Plan. Hence, these two exercises will be closely coordinated to ensure that information is exchanged between the two teams of evaluators and that the analyses are consistent.

II.3. Evaluation areas and questions

The evaluation will cover questions of relevance, efficiency, effectiveness, impact, sustainability, innovativeness and replicability, coherence and EU added value, as defined in EU and OECD reference documents on evaluation.

Considering the absence from the EU FLEGT AP of predefined logical framework, targets, budget and timeline, the evaluation could build on approaches such as the Theory of Change and dedicate particular attention to re-assessing the long-term changes intended by the FLEGT AP, the process to promote these changes, the underlying assumptions and progress on the change pathway.

Indicative evaluation questions are listed below.

Some areas of the FLEGT Action Plan will require specific evaluation questions. In particular the Voluntary Partnership Agreements, where attention should be given to the implementation of VPAs and specific issues like impacts on the forest sector governance reforms, impacts on the participation and role of civil society, impacts on local private sector, impacts on broader governance, impacts on deforestation and forest conversion, costs and feasibility of legality assurance systems, etc.

As part of the technical proposal, the contractor will propose key evaluation questions, which will be further elaborated during the inception phase.

II.3.1. Relevance

- To what extent do the objectives of the FLEGT AP correspond to the needs, interests and priorities of the EU and FLEGT AP partner countries?

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- To what extent are the hypotheses/assumptions and the intended change underlying the FLEGT AP still valid or need to be reviewed based on experience gained and changes in the global context?
- To what extent are the approach, the structure and the measures proposed by the FLEGT AP appropriate to achieve its objectives?

II.3.2. Effectiveness and impact

- What has been undertaken and achieved? Document and assess the achievements under the seven components of the AP, using both quantitative and qualitative criteria, and making a clear distinction between processes and activities, vis-à-vis outputs, results and impacts.
- Have there been any gaps and/or shortcomings in the implementation and what are the consequences in terms of effectiveness and impact?
- To what extent have the actions undertaken under the different areas of the EU FLEGT AP contributed to achieving its objectives (reducing illegal logging and the associated trade, and improving forest governance and law enforcement) and to what extent have the results and effects varied according to countries specific circumstances?
- To what extent has the FLEGT AP contributed to alleviating poverty and/or to promoting human rights in partner countries?
- To what extent have the industry and business sector, particularly SME and micro enterprises, been impacted by the AP, in both positive and negative terms?
- To what extent have external factors or other policy initiatives (such as changes in trade patterns and political context) influenced the effectiveness and impact of the FLEGT AP?
- To what extent does the FLEGT AP contribute to the development of multilateral framework to fight illegal logging?

The AP was expected to deliver certain changes. The evaluation should report on the progress made to date, on whether the objectives and intended changes have been achieved or can still be achieved and, if so, within what timeframe and under which conditions. It should try to identify any unexpected or unintended effects, positive or negative, direct or indirect. It should also identify the factors and specific (country) circumstances influencing why some actions were successful or why others did not achieve the intended results.

II.3.3. Efficiency

- To what extent have EU efforts under the EU FLEGT AP been cost effective?
- What resources (financial, human, institutional, political) have been used by different groups involved in the implementation of the FLEGT AP? Were the costs involved justified, given the changes/effects which have been achieved? How does this compare to similar international initiatives? Might other policy instruments have achieved the same effects at less cost?

II.3.4. Sustainability

- To what extent will the actions undertaken under the EU FLEGT AP last after the end of its implementation (whether or not the EU's financial and technical assistance to the process continues)?
- Has the Action Plan been a catalyst for similar policies by actors other than the EU and its Member States?

II.3.5. Innovativeness and replicability

- To what extent has the FLEGT AP introduced innovative approaches and/or new standards in the way we deal with illegal logging and broader natural resource governance issues? To what extent can the approach and/or model, or some of their elements, be applied to other areas or commodities?

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II.3.6. Coherence

- To what extent does the FLEGT Action Plan allow the European Union to achieve its development and environment policy objectives without internal contradiction or without contradiction or duplication with other Community policies? If there have been such contradictions or duplications, what have these been and how can they be resolved?

II.3.7. Added value

- Extent to which the EU action under the FLEGT AP adds value to what would have resulted from Member States' interventions in the same context.

II.4. Conclusions, lessons learnt and recommendations

The evaluation shall provide an overall assessment that will cover the relevance, efficiency, effectiveness and impact, sustainability, innovativeness and replicability of the Action Plan, component by component, with particular attention paid to the FLEGT VPAs. It will identify gaps, limitations and shortcomings and will formulate recommendations, including on how these could be addressed. It will assess the extent to which the implementation of the Action Plan is contributing to promoting changes in forest law enforcement, governance and trade that are likely to contribute to a reduction of illegal logging and more generally to sustainable forest management.

The evaluation will be forward-looking, seeking to improve the relevance, operation and results of the FLEGT AP, into the medium-term future (2020) in detail and beyond that horizon in general terms.

It will aim at drawing lessons, with particular attention paid to the innovative approaches and instruments promoted by the Action Plan.

It will compile, evaluate and summarize the expectations of different constituents in Europe and in EU partner countries for future action.

It will formulate recommendations which could guide future efforts by the EU, Member States, partner countries, private sector and civil society on Forest Law Enforcement, Governance and Trade and, more broadly, on reversing the loss of forest cover and promoting sustainable management of forest resources.

III. METHODOLOGY AND KEY TASKS

III.1. General approach and methods

The evaluation will be undertaken by a Contractor, through a team of external consultants under the direction of a team leader.

The contractor will have choice as to the methods used to gather and analyse information and for making the assessment, but shall take account of the following:

- The evaluation has to be based on recognised and standardised evaluation techniques and stakeholders consultation mechanisms.
- The choice and a detailed description of the methodology is an integral part of the technical proposal submitted and, as such, will be evaluated in the tender award process and will be subject to modification. There should be a clear link between the evaluation questions addressed and the corresponding methodology proposed. In the technical proposal the evaluation questions will be further refined and elaborated by the contractor, e.g. if necessary by developing sub-questions under each question.

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– Considerable emphasis should be placed on the analytical phase of the evaluation. In addressing the evaluation questions, quantitative indicators should be sought and used as far as possible. The contractor must support findings and recommendations by explaining the degree to which these are based on expert knowledge and opinion, standard analysis

and objectively verifiable evidence. Where expert knowledge and opinions are the main tools, the degree of consensus and the steps taken to test the opinions should be given.

– It is not expected that all individual measures implemented under the FLEGT AP be assessed, but the sample of measures examined should be drawn up in a manner suitable for each evaluation question addressed, and should be such as to enable the evaluators to draw general conclusions on the measures.

– During the inception phase, the Contractor will refine the methodology proposed in their tender including approach, key evaluation questions, detailed work plan, division of labour between team members, a list of countries to be visited, sampling criteria, a list of key stakeholders and other interested parties to be interviewed, consultation mechanism, assessment of challenges and risks and how they will be addressed.

III.2. Stakeholder consultations

The evaluation will include broad stakeholder consultations, including of governments of Member States and partner countries, private sector, international organizations and civil society groups (some were involved in the outset of the Action Plan).

The Contractor will have to assure that consultations are based on a balanced representation of the different groups of stakeholders concerned by the FLEGT Action Plan and to avoid domination by specific groups, in particular by stakeholders benefitting from development aid and/or being involved in cooperation projects in relation with FLEGT.

Mechanisms for consultation may include:

- stakeholder workshops in Europe (taking advantage of the FLEGT week in March 2015 and the Chatham House stakeholder meeting on illegal logging)
- stakeholder workshops in partner countries (1 in each partner country visited to be organized by the Contractor)
- survey and/or moderated dialogues with EU Member States
- survey and/or moderated dialogues with FLEGT VPA partner countries
- survey and/or moderated dialogues with non-state actor (private sector; civil society)
- individual interviews with key stakeholders
- open web-based mechanism for gathering inputs, opinions, comments and evidence, preferably using existing tools such as Capacity4Dev (<http://capacity4dev.ec.europa.eu/public-flegt/dashboard>).

III.3. Country visits

The sample of countries should be representative, ensure a balanced geographical coverage, including, both VPA and non VPA countries on the producer side and China.

For the EU, the Contractor will use, as far as possible, the regular Member States meetings in Brussels (Working Party on Forest, FLEGT Committee, FLEGT ad hoc) to meet with key representatives, complemented by tele- or videoconferences and other communication means. If necessary, short visits to up to 5 capitals might be considered: this will be decided during the

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inception phase on the basis of the proposal made by the Contractor. The selection of Member States should include coverage of the three region types (producer-consumer-net exporter; producer-consumer-trader; producer-consumer-net importer) as identified in the recent DG ENTR study on wood availability. (See web-site:http://ec.europa.eu/enterprise/sectors/wood-paper-printing/documents/index_en.htm)

- VPA countries: 3 with concluded VPAs (implementation phase): 1 in West Africa, 1 in Central Africa, and 1 in South East Asia and 3 with VPAs in negotiation (negotiation phase): 1 in Latin America, 1 in Africa and 1 in South East Asia
- Non VPA producer countries: 3 countries, to be proposed by the Contractor on the basis of relevant criteria and to be agreed upon during the inception phase. They might include countries in Europe and North Asia and Latin America.
- Other consumer countries: China

The choice and criteria of countries to be visited is a part of the technical proposal submitted and, as such, will be evaluated in the tender award process and will be subject to modification. The country visit schedule will be further refined and elaborated during the inception phase.

III.4. Evaluation phases and tasks

The assignment will be organized in four phases:

1. Inception phase
2. Desk review and initial consultation phase
3. Field phase
4. Synthesis phase

The different phases and related tasks are described below. The assignment might entail any additional task that the Contractor may deem necessary to meet the requirements of these terms of reference and which is agreed with the Steering Committee.

III.4.1 Inception phase

- Review and analysis of an initial set of key documents (see Appendix 2)
- Briefing with the European Commission DEVCO C2, ENV E2 and other SC members as appropriate
- Introductory meetings with other key Commission services

On the basis of the information collected the evaluation team should:

- Refine and finalise the methodology proposed in its technical proposal addressing approach, final evaluation questions, detailed work plan, division of labour between team members, list of countries to be visited and sampling criteria, list of key stakeholders to be met/interviewed, consultation mechanisms, assessment of challenges and risks.
- Define the set of evaluation questions and sub-questions, which will be based on the list presented above and will include explanatory comments, justifying their relevance. Identify provisional indicators and their verification means, and describe the analysis strategy.
- Comment on the issues to be studied, possible challenges and how the Contractor will address them.
- Propose the detailed draft work plan for the assignment
- The methodology will be submitted for discussion and approval by the Steering Committee (see below under section IV.1.).

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- Propose an approach and draft questionnaires for the surveys of Member States, partner countries and key stakeholders
- Draft an inception report which includes all elements above

Based on the draft inception report, a first meeting will be held with the Steering Committee to discuss and approve the inception report.

The output of this phase is a complete and approved inception report.

III.4.2 Desk review and initial consultation phase

- Desk review: review and analyse systematically the relevant available documents. Sufficient time needs to be allocated to the review of the vast amount of documentation published on the AP and its implementation.
- Analysis of the international context and review of other global initiatives, the key evolutions since the adoption of the FLEGT AP and how they possibly affect its relevance and effectiveness.
- Inventory of interventions in support of the FLEGT AP and broad cost analysis.
- Impact study based on a critical review of existing data/documentation on illegal logging (e.g. Chatham House), timber trade (e.g. ITTO), governance (e.g. PROFOR), deforestation (e.g. FAO/JRC).
- Consultations with European Commission services in Brussels
- Consultations with key stakeholders in Brussels and the EU (using telecommunications where appropriate).
- Regular meetings with DEVCO C2 – ENV E2 (at least bi-monthly) and other SC members, as appropriate
- Participation in the FLEGT week in Brussels on March 3-6 2015: this gathering of some 200 key FLEGT stakeholders will include a specific session on the evaluation of the FLEGT Action Plan to be designed and facilitated by the Contractor.
- Meeting of the FLEGT Committee (for the FLEGT Regulation and the EU Timber Regulation)
- Meeting with the Commission Inter Service Group on Forests.
- Introduction and presentation at the working party on forests (Council Committee with oversight for FLEGT Action Plan) and meeting with the FLEGT ad-hoc Working Group.
- Adjust the methodology and work plan if necessary.
- Further develop tools to be applied in the Field Phase and prepare a detailed planning of the country visits.
- Review and analyse information on the VPA processes, including reports of joint meetings, the results of the process to document progress and achievements of each VPA, as well as the joint VPA reports where they exist, with particular attention to the countries to be visited.
- Surveys of EU Member States with facilitated introduction from the Commission. The survey will cover the following areas: actions taken, perception of achievements, expectations and views on future action. It will mainly be an update of the survey used for the FLEGT progress report of 2011 and will largely use the same set of questions (Hudson J., Paul C.). The Contractor will conduct the surveys, compile and analyse the results.
- Surveys of FLEGT VPA partner countries, selected non-partner countries (including consumer and processing countries), private sector and civil society organisations. The surveys will differ according to the target groups. The survey will cover the following areas: actions taken, perception of

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achievements, expectations and views on future action. The Contractor will conduct the surveys, compile and analyse the results.

- Finalise the set of evaluation questions: present each evaluation question stating the information already gathered and their limitations, provide a first partial answer to each question, identify the issues still to be covered and the assumptions still to be tested, and describe a full method to answer the question.

- Drafting of the Desk Phase Report

A second meeting will be held with the Steering Committee to review and discuss the desk report and explain and approve the field phase activities.

Any questions/clarifications from the Contractor regarding the outputs/reports to be provided, if any, should be clarified with the Evaluation focal point during this first phase.

The output of this phase is a complete and approved Desk Report.

III.4.3 Field phase

The evaluation team should:

- Ensure adequate planning and ensure the optimal organization of consultations with the key stakeholders during the field phase.

- Country visits to a representative sample of 6 VPA partner countries and meetings with key stakeholders (indicative duration: 7-10 calendar days per country).

- Organize a briefing with the European Union Delegation at the arrival in each selected country and at the end of the mission.

- Hold meetings and interviews with national authorities in charge of FLEGT implementation and key groups of stakeholders from the private sector and civil society.

- Summarize the field work at the end of the field phase, discuss the reliability and coverage of data collection, and present and discuss preliminary findings in a workshop with key stakeholders in-country.

- Country visit to China

- Country visits to 3 other producer countries, which might include one country in Europe and North Asia region and one in Latin America (to be decided during the inception phase, on the basis of Contractor's proposal).

In addition

- If necessary, short visits to up to 5 EU Member States (capitals), to be decided during the inception phase.

- Teleconferences and exchanges with at least two other producer countries (non VPA, e.g. Brazil, Chile -both are significant exporters to the EU and Asian markets- and New Zealand - exports to Asia), to be indicated in the technical proposal)

- Teleconferences and exchanges with at least 2 other consumer countries (non EU: USA, Australia, Japan, South Korea, Taiwan) – to be indicated in the technical proposal

A third meeting will be held with the Steering Committee to present and discuss the results of the field phase and the preliminary findings, as shown in a prior report.

The outputs of this phase are country case studies to be submitted together with the draft evaluation report.

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III.4.4 Analysis and synthesis phase

This phase is mainly devoted to analysing the results of the previous phases and how they relate to each other for the preparation of the final report.

If the Evaluation Focal Point considers the draft report to be of sufficient quality, he will circulate it for comments and convene a fourth meeting with the Steering Committee to present and discuss the report.

On the basis of comments collected by the Evaluation focal point, the evaluation team will amend and revise the draft reports.

A stakeholder workshop will be convened to present and discuss the preliminary findings. The output of this phase is the final report.

IV. ORGANISATION, OVERSIGHT, TIMETABLE AND BUDGET

IV.1. Organisation and responsibilities for administration, monitoring and oversight of the assignment

The evaluation will be supervised by and will report to the European Commission Directorate General for Development and Cooperation (DEVCO) Unit C2 “Climate change, environment, natural resources, water” jointly with the Directorate General for Environment (ENV) Unit E2 “Global Sustainability, trade and Multilateral Agreements”). An Evaluation Focal Point will be designated within DEVCO C2.

The evaluation will be undertaken by a Contractor, through a team of external consultants under the direction of a team leader.

The team of experts will be contracted under a service contract administered by the European Forest Institute (EU FLEGT Facility).

Some EU member states might decide delegating experts to accompany the Contractor’s team for some of the meetings and/or country visits. If so, their expertise may be called upon by the team of experts but their presence shall not impede or redirect their work or influence the outcome of their reporting.

A Steering Committee has been established to assist the Commission in steering and overseeing the work of the Contractor: it is composed of representatives of the Commission and some Member States.

The Steering Committee’s main functions are to assist the Commission in:

- The drafting of the Terms of Reference;
- Ensuring that the evaluation team has access to and has consulted all relevant information sources and documents;
- Supporting and monitoring the work of the Contractor;
- Validating the methodology to be developed by the Contractor, including the final list of evaluation questions;
- Reviewing, assessing, discussing and commenting on notes and reports delivered by the Contractor team through the Evaluation focal point: each output expected from the evaluation team (see section V) will be shared with the Steering Committee. To the extent possible, comments by individual group members are compiled into a single document by the Evaluation focal point and subsequently transmitted to the Contractor;

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- Helping to ensure that the Contractor's independence is not compromised.

The Steering Committee is expected to hold several meetings in Brussels, as indicated in these terms of reference and as appropriate according to the needs of the evaluation as determined by the Evaluation focal point once the evaluation is underway.

The contractor will participate in the meetings of the Steering Committee when invited. The team leader and if appropriate members of the Evaluation Team should be available in person to present to, discuss with and receive guidance from meetings of the Steering Committee on the work to be done and the different reports to be provided.

IV.2. Timetable

The indicative starting date is 15th of November 2014. The contract will start after both parties have signed it. The period of execution of the contract is 12 months.

The following indicative timetable is envisaged:

- Inception phase: 15 November – 15 January 2014
- Desk phase: December 2014 – April 2015
- Field phase: March – June 2015
- Synthesis phase: June – September 2015

Partial overlapping between the different phases may be envisaged. In particular, field work may begin once the inception report has been approved.

IV.3. Budget

The estimated maximum budget for the evaluation of the action, covering all the results to be achieved by the contractor as listed above, is EUR 700 000 (excluding the work plan budget).

The financial proposal shall include at least:

- fees
- mission costs to the VPA countries
- mission costs to China
- mission costs to the SC meetings, FLEGT week and to the Chatham House meeting
- the stakeholder workshops in the VPA countries

The financial proposal shall also cover costs related to all other meetings, consultations and surveys, the production and translation of the reports and all other expenditures needed to perform the assignment as defined in these terms of reference.

To support the implementation of the evaluation EFI will, in addition to the contract price, make available a total of 50,000 EUR in the form of reimbursable costs and per diems. This work plan budget could be used to cover missions to EU Member States and to three producing countries identified by the Contractor (and approved by the Steering Committee). The use of this work plan budget needs a prior approval by the Steering Committee and the EFI.

V. REPORTING AND DELIVERABLES

V.1. General reporting requirements

Each report (except the final version of the Final Report) should have an introductory page providing an overview and orientation of the report. It should describe what parts of the document, on the one hand, have been carried over from previous reports or been recycled from other documents, and on the other hand, represent progress of the evaluation work with reference to the work plan.

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All reports must be drafted in English and submitted according to the timetable below to the Commission. Revised versions of reports must be provided in both a “track changes” version and a “clean” version. Electronic files must be provided in Microsoft® Word for Windows format. Additionally, besides Word, the Final Report must be delivered in Adobe® Acrobat pdf format and in 200 hard copies.

The Contractor will make sure that their assessments and conclusions are objective and balanced, affirmations accurate and verifiable, and recommendations realistic; and that the perspectives of the different groups of stakeholders are taken into account.

V.2. Inception report

The report should describe how the methodology proposed by the Contractor in the technical proposal and subsequently refined in liaison with the Steering Committee is going to be implemented in detail, after e.g. having further examined the sources of secondary and primary data that will be used for the evaluation and having met with key Commission services. It should not exceed 30 pages, annexes excluded but including a short (1-2 pages) summary. The annexes should contain an outline of the Final Report, which should be successively revised in the light of subsequent work throughout the various phases.

V.3. Desk review and initial consultation phase report

The report is to be produced after the desk review and initial consultation have been completed, and should, to the extent possible, include some preliminary conclusions. The report must as a minimum provide:

- An executive summary, preferably of no more than five pages;
- An overview of the status of the evaluation project;
- A description of problems encountered and solutions suggested;
- A summary of initial findings and results of the data gathering;
- An assessment of the data, whether it meets expectations and will provide a sound basis for responding to the evaluation questions;
- A conclusion whether any changes are required to the work plan, or any other solutions should be sought in order to ensure that the required results of the evaluation are achieved. If any such issues are to be identified, they must be discussed in the meeting with the Steering Group;
- A proposal for the final structure of the Final Report, as well as a structure of the Executive Summary.

It should not exceed 60 pages, annexes excluded.

V.4. Draft final report

This document should deliver the results of all tasks covered by these Terms of Reference, and must be clear enough for any potential reader to understand. The structure of the report should follow a broad classification into the following parts:

- Main report: The main report should preferably not exceed 120 pages excluding annexes and present, in full, the results of the analyses, findings, conclusions and recommendations arising from the evaluation. It must also contain a description of the subject evaluated and, in an annex, the context of the evaluation, and the methodology used (including an analysis of its strengths and weaknesses).
- Specific report on VPAs and support to producer countries (areas 1 and 2 of the Action Plan).
- Annexes: These must relate to the content of the Final Report, collating the technical details of the evaluation, and must include list of stakeholders consulted, survey questionnaires, questionnaire

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templates, interview guides, reports of the stakeholder workshops, country case studies, any additional tables or graphics, and references and sources.

V.5. Final report

On the basis of comments collected by the Evaluation focal point, the evaluation team will amend and revise the draft report. Comments requesting methodological improvements should be taken into account, except where this is demonstrably impossible, in which case full justification should be provided by the evaluation team. Comments on the substance of the report shall normally be accepted by the Contractor. If there is a strong disagreement on the part of the Contractor, the latter must give a reasoned justification in writing for consideration by the Steering Committee.

The final report follows the same format as the draft Final Report. Furthermore, it is accompanied by an Executive Summary normally of no more than 6 pages. The Executive Summary summarises the evaluation's main findings and conclusions, the main evidence supporting them and the recommendations arising from them. After being agreed with the Commission Services, it should be translated into French and Spanish by a professional translation agency. On top of that, an abstract of no more than 200 words in English/French and Spanish should be provided. The purpose of the abstract is to act as a reference tool helping the reader to quickly ascertain the evaluation's subject.

The document must take into account the feedback from the Steering Committee on the draft Final Report, insofar as these do not interfere with the autonomy of the Contractor in respect of the conclusions they have reached and the recommendations made.

The European Commission will publish the Final Report, the Executive Summary, the Abstract, the annexes and the Quality Assessment Grid providing assessment of the evaluation final report.

V.6. Progress reports

The Contractor will deliver Progress Reports on bi-monthly basis summarising on less than 5 pages progress of the evaluation work made with reference to the work plan. The Contractor will report particularly on difficulties encountered and mitigation measures taken or suggestions to changes required to the work plan to ensure that the required results of the evaluation are achieved. The Steering Committee might call for a meeting if the Progress Report raises concerns about progress of the work.

VI. REQUIREMENTS

VI.1. The evaluation team

Requirements are specified in chapter Tender Documentation.

The evaluation will be undertaken by a Contractor, through a team of external consultants under the direction of a team leader. It is estimated that the Contractor will need to mobilize 5 experts (including the team leader) supported by one assistant.

The Team leader will be in charge of leading the team of Experts, organizing and coordinating the work, meeting with key stakeholders, carrying out part of the visits to VPA partner countries and EU Member States, making presentations on behalf of the team and finalizing the overall reporting to the Commission and to the Steering Committee as well as the production of all reports. The team leader should be available for a minimum of 100 working days.

Indicatively, two Experts could focus on VPAs and support to producer countries (area 1 and 2 of the Action Plan) while two Experts could focus on the other areas (3 to 7) of the FLEGT action plan. The Assistant will take care of the logistical arrangements for the Team Leader and the Experts and all the surveys, data compilation, analysis and statistics required.

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The tenderers are free to propose a team composition that differs from the above indicative structure. They may propose short term expertise, if they deem it necessary for performing the assignment in accordance with these terms of reference.

VI.2. Other resources

The Contractor will also need to mobilize the resources needed for the production of the reports and to conduct all the tasks required to meet these terms of reference, including:

- The desk review
- The surveys and the data collection, analysis and compilation
- The stakeholder workshops in partner countries visited
- The organization of specific stakeholder consultation session during the FLEGT week 2015 and during the final workshop (the overall organization costs of these workshops, including travel and accommodation of participants will be borne by the Commission).
- The country visits
- The meetings of the Steering Committee
- All consultations, meetings and interviews, including teleconference calls
- The web-based consultation mechanism

The Contractor shall ensure that experts are adequately supported and equipped. In particular, sufficient administrative and secretarial resources must be available to enable senior experts to concentrate on their core evaluation tasks.

VII. ABSENCE OF CONFLICT OF INTEREST

The Contractor shall guarantee the independence of judgment of its team and ensure that neither their organisation nor the experts performing tasks under this assignment are in a situation of conflict of interest regarding this specific assignment, and shall include a Declaration of absence of conflict of interest for both the Contractor (Annex 3 for tender specification) and each individual expert (Annex 5a and 5b for tender specification) proposed as part of their tender.

For the Team Leader and at least two of the experts: having been directly involved in the design and conception of the FLEGT Action Plan or having been involved directly in the implementation of measures developed under the FLEGT Action Plan over the past five (5) years would constitute a conflict of interests that would make it impossible to perform tasks under this contract (Annex 5a for tender specification). However, the team will also have a thorough understanding of the FLEGT Action Plan in its various dimensions and implications. None of the experts proposed shall be currently involved in the implementation of the FLEGT Action Plan (Annex 5b for tender specification).

The Contractor shall indicate, for each expert any past involvement in the FLEGT Action Plan and shall demonstrate that this will not affect the independence of judgment and objectiveness of the team, nor creates a situation of conflict of interest (Annex 5a and 5b for tender specification).

VIII. ADMINISTRATIVE INFORMATION

The language of this assignment and contract is English, using consistent IRL/UK spelling. French and Spanish will be required for some of the country visits and consultations with stakeholders.

IX. REFERENCE DOCUMENTS

A list of key reference documents and internet links is provided in Appendix 2. Further materials will be communicated during the inception meeting.

Annex 2 Organisations and persons consulted

In the following page, the list of persons interviewed (including informal exchanges, workshop, etc.) is reported. The categorisation of stakeholders interviewed is shown in the Table below

Category	Number of interviewees	Share
Private Sector Organizations	182	22.2%
International Civil Society Organizations, Institutes & Think-Tanks	134	16.5%
EU institution, including EU Delegations and EU-funded personnel	122	14.9%
Non-European Country Institutions	120	14.8%
NGOs operating at national level (in either EU or non-EU countries)	76	9.4%
Member States Institutions	65	8.0%
Service Providers and Experts	59	7.3%
International and Regional Institutions	29	3.6%
Other European Country Institutions	25	3.1%
Other (e.g. Support Services, Communication)	3	0.4%

Annex 2

Organisations and persons consulted

	Name	First Name	Organisation [Location, Country]	Type Org.	Title / Position
EU institution, including EU Delegations and EU-funded personnel (facilitator, technical experts)					
1	Achard	Frederic	EC (JRC-ISPRA)	EUI	
2	Ackon	Christopher	EEAS	EUI	
3	Andrianirina	Nicole	EU - Delegation Madagascar	EUI	Chargée de Programme (Sect. IV - Dév rural, environnt.)
4	Ariza	Johny	EU - Delegation Columbia	EUI	
5	Atanasova	Svetlana	EC, DG Environment, Brussels	EUI	DG Environment, Focal point for EUTR
6	Attah	Alhassan	FLEGT Facilitator for Guyana	EUI	FLEGT Facilitator
7	Baidebekova	Alia	Kazakhstan	EUI	
8	Barillas	Claudia	EU- Delegation Guatemala	EUI	
9	Barrio	Jose	EU - Delegation CAR	EUI	
10	Bazill	John	EC, DG Trade, Brussels – formerly with DG ENV	EUI	Policy Officer, Directorate D1: Trade & Sustainable Development, Generalised System of Preferences
11	Begasse	Antoine	EC, DG Financial Market and Stability	EUI	Policy Officer in charge of the Accounting and Transparency Directive
12	Belward	Alan	EC (JRC-ISPRA)	EUI	
13	Berk, van den	Vincent	EFI FLEGT facility in Asia	EUI	Head of Asia regional office
14	Bolly	Jean-Louis	EC, DG Evaluation, Brussels	EUI	
15	Bousquet	Mathieu	EC, DG for Neighbourhood and Enlargement Negotiations (DG NEAR), Brussels	EUI	Acting Head of Unit, Unit C2 – Regional programmes Neighbourhood East (previously head of forestry sector in DEVCO)
16	Brignone	Marta	Facilitatrice FLEGT pour la Côte d'Ivoire	EUI	FLEGT Facilitator
17	Brissoneau	Delphine	EU - Delegation Myanmar	EUI	
18	Buisson	François	Commission européenne, DG DEVCO, Bruxelles	EUI	Chef du secteur forestier, Point focal adjoint Cdl
19	Bunet	Rio	consultant; mission facilitator	EUI	EFI, Jakarta
20	Busson	François	EC, DG Devco C2, Forestry team, Brussels	EUI	Policy Adviser EC Forestry – Gabon, Ivory Coast, DRC, Central & West Africa
21	Caruda	Marta	EU - Delegation Thailand	EUI	
22	Carvalho	Cristina	EUDEL from Brazil	EUI	
23	Chen	Xiaoqian	EFI FLEGT facility in Beijing	EUI	FLEGT advisor in China
24	Crabbé	Bernard	EC, DG Devco C2, Brussels	EUI	Head of Sector Forestry (RCI, Liberia), Environment, Climate Change, NR, Water, Chair FLEGT AP Evaluation Steering Committee
25	Crooks	Colin	EU - Delegation Indonesia	EUI	

Annex 2

Organisations and persons consulted

26	Cucchi	Alessandra	EU - Delegation R of Congo	EUI	
27	de Francisco	José Luis	EU Delegation to Colombia, Bogotá	EUI	
28	de Francqueville	Thomas	EFI FLEGT Facility, Barcelona	EUI	VPA's CAR, Laos, Liberia
29	de Rotalier	Gael	EC, DG Environment (CITES Unit), Brussels	EUI	Policy Officer responsible for CITES
30	Dominic Stanculescu	Dominic	Programme on Management of Natural Resources, GIZ	EUI	Advisor,
31	Dontenville	Adeline	EFI REDD Facility	EUI	EU REDD officer
32	Dontonville	Adeline	EU REDD Facility staff	EUI	EFI, Barcelona
33	Dosenovic	Maja (Ms)	EU Delegation to BiH, Sarajevo	EUI	Programme Manager, Operations Section II – Economic Development, Infrastructure, Natural Resources
34	Edwin Shanks	Edwin	EFI-FLEGT Facility in Vietnam	EUI	FLEGT Facilitator
35	Fache	André	EU- Delegation Honduras	EUI	
36	Feehan	Jane	European Investment Bank	EUI	Natural Resources Specialist
37	Feng	Mei	EUD	EUI	Assistant to the Environment Counsellor
38	Flies	Robert	EC, DG Environment, Brussels	EUI	Strategy Adviser, DG Environment – Unit F1
39	Formentini	Silvia	EC, DG Trade, Brussels	EUI	Policy Co-ordinator, Trade & Sustainable Development, Generalized Systems of Performance
40	Frosio	Carl	EU Delegation Cameroon	EUI	
41	Furones	Laura	EFI FLEGT Facility, Barcelona	EUI	
42	Garay Amores	Juan	EUDEL from Mexico	EUI	
43	Garcia	Tatiana	EU- Delegation Peru	EUI	
44	Garcia Garcia	Francisco	EU - Delegation Bolivia	EUI	
45	Grlas	Bojan	EC, DG Environment, Brussels	EUI	Global Sustainability, Trade & Multilateral Agreements
47	Gross	Marc Alexander	FLEGT TA for Lao (GIZ)	EUI	FLEGT Tech. Assistant (GIZ, Pg Dir SusClIME, ProFLEGT)
48	Hinrichs	Alexander	EU FLEGT Facility	EUI	
49	Hipler	Uli	EC, DG DevCo, Brussels	EUI	Trainee on secondment from Germany
50	Hoang	Hoang	EU Delegation Viet Nam	EUI	
51	Hoang Thanh	Thanh	EU Delegation, Hanoi, Vietnam	EUI	Program Officer
52	Hodzic-Zijadic	Normela (Ms)	EU Delegation to BiH, Sarajevo	EUI	Coordinator for Monitoring and Evaluations
53	Houyoux	Alain	EU - Delegation Gabon	EUI	Attaché
54	Huang	Xueju	EUD Switch -Asia	EUI	Project Officer EU Cooperation Instruments
55	Iglesias	Manuel	EU Delegation Liberia	EUI	
56	Juppi	Marketta	EFI, FLEGT Facility	EUI	EFI, Barcelona
57	Kaukewitsch	Robert	EC, DG Environment	EUI	Green Public Procurement Policy Officer

Annex 2

Organisations and persons consulted

58	Kirsten Hegerner	Kirsten	Programme on Management of Natural Resources, GIZ	EUI	Director
59	Klitko	Oleksander	EU- Delegation Ukraine	EUI	
60	Kovacs	Peter	European Court of Auditors, European development funds, Luxembourg	EUI	
61	Kulikova	Elena	EFI, Joensuu office (HQ)	EUI	Senior Expert, Formerly forestry officer, WWF-RU
62	Le Bussy	Philippe	Délégation de l'UE en Côte d'Ivoire, Abidjan	EUI	Chargé de Programme
63	Le Thi Thu Huong	Huong	Embassy of Finland	EUI	Program Coordinator
64	Liedeker	Heiko	EFI FLEGT Facility, Barcelona	EUI	Head of the FLEGT and REDD Unit, Policy Advice Group
65	Manoharan	T.R.	EFI/EU FLEGT Facility	EUI	FLEGT adviser to India
66	Maria-Sube	Elodie	EU - Delegation Cambodia	EUI	
67	Marmo	Luca	EU, DG Environment	EUI	Policy Officer India, ASEAN and G20
68	Mayaux	Philippe	EC DG DEVCO C2	EUI	
69	McGuire	Sandra	EFI FLEGT Facility, Barcelona	EUI	Communication team, Focal point at EFI for communication
70	Missinne	Bart	EU Delegation Ghana	EUI	Acting Head of Cooperation
71	Mussel	Benjamin	EC, DG Trade, Brussels	EUI	Policy Officer, Directorate D1: Trade & Sustainable Development, raw material
72	Nguyen To Uyen	Uyen	EU Delegation, Hanoi, Vietnam	EUI	Program Officer
73	Nicolaie	Adelina	EC DG DEVCO H	EUI	
74	Nicrowattanayingyong	Somrudee	FLEGT Facilitator for Thailand	EUI	FLEGT Facilitator
75	Nongni	Bakker	GIZ Pro-PSFE	EUI	Juriste
76	Nyman	Ingrid	EU Delegation	EUI	EU
77	Oliver-Cruz	Ignacio	EU - Delegation Laos	EUI	
78	Onanina	Caroline	AFD	EUI	Chargé Programmes
79	Palmer	Christina	EC DG DEVCO C2	EUI	
80	Pénelon	Alain	EFI FLEGT Facility, Barcelona	EUI	Governance, VPAs Africa, CAR, DRC
81	Penot	Mathieu	EU - Delegation Philippines	EUI	
82	Perez	Luca	EC, DG Environment, Brussels	EUI	Policy Officer, Unit ENV E.2 - Global Sustainability, Trade and Multilateral Agreements - Indonesia
83	Pollard	Vicky	EUD	EUI	First counsellor Environment and Climate Change
84	Pollard	Vicky	EU - Delegation China	EUI	
85	Ponce	Pedro	EU - Delegation Ecuador	EUI	
86	Portevin	Thibaut	EC, DG Devco C2, Forestry team, Brussels	EUI	Policy Adviser EC Forestry (Cameroon, DRC, private sector engagement, conversion timber) / Main Focal

Annex 2

Organisations and persons consulted

					point FLEGT AP Evaluation
87	Portier	Bruno	Facilitateur FLEGT, Congo	EUI	FLEGT Facilitator
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Organisations and persons consulted

402	Siakor	Silas	Liberia (CSO)	NNG	
403	Solomon	Nasimung	Member	NNG	CFC, Avota Community
404	Soontornwong	Somying	Thailand (CSO)	NNG	
405	Souligamat	Thongsavanh	Lao (PS)	NNG	
406	Suradiredja	Diah	Chief Board of Consituent Representative	NNG	LEI, Bogor
407	Tangkijngamwong	Jirawat	Thailand (PS)	NNG	
408	Tran Nam Thang	Thang	CORENAM	NNG	Vice Director
409	Triyanto	Sugeng	Extentionist, trainer	NNG	ARUPA, Bantul
410	Trương Quang Hoàng	Hoang	CRD	NNG	Director
411	Truong Si Hoai Nhan	Nhan	Central FLEGT project	NNG	Manager
412	van de Ven	Françoise	RDC (PS)	NNG	
413	Vargas	Martha Soraya	Corporación Aldea Global	NNG	Board member
414	Vu Thi Bich Hop	Hop	VNGO Network/SRD	NNG	Director
415	Wete Soh	Laurence	FODER	NNG	REDD+
416	Wibaya	Hayu	System Development Manager	NNG	LEI, Bogor
417	Yeboah	Doreen	Representative	NNG	National Forest Forum
418	Zahnen	Johannes	WWF Deutschland	NNG	
419	Zanuttini	Roberto	University of Turin	NNG	
420	Zevaze Hellow	Christinae	FODER	NNG	Congo Basin VPA implementation
Other European Country Institutions					
421	Afanadov	William	CARDER	OCI	Contratista de apoyo Control y V.
422	Afenu	Richard	Acting Director	OCI	Mining Commission, Accra
423	Aggrey	Samuel	National Authorizing Officer	OCI	Ministry of Finance and Economic Planning (MoFEP), Accra
424	Agkpo	Jean-Luc	Ministère auprès du Premier Ministre, chargé du Budget (MPMB), Abidjan	OCI	Conseiller du ministre
425	Ahoutou Kouakou	Célestin	Ministère des eaux et forêts (MINEF), Abidjan	OCI	Secrétariat Technique Permanent, Assistant PFN
426	Akbar	Taufik	Staff	OCI	International Affairs and Ratification Division, Secretariat of the Cabinet
427	Aldana	Alexander	CVC	OCI	Técnico operativo Equipo FLEGT
428	Alispahić	Nevres	KJP "Sarajevo Forest" d.o.o.,	OCI	Executive Director, Forest Resources
429	Alvarez	Juan Manuel	CARDER	OCI	Executive Director
430	Andrade	Túlio	Embassy of Brazil (UK)	OCI	3rd Secretary (Environment Affairs)
431	Arredonda	Duer	CVC	OCI	Experto forestal
432	Asare	Alex	Manager Collaborative Forest Management	OCI	FC, RMSC, Kumasi
433	Ashiadey	Franklin	Manager International Cooperation Projects	OCI	Ministry of Finance and Economic Planning (MoFEP),

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Organisations and persons consulted

					Accra
434	Augusti	Rentry	Staff	OCI	International Cooperation Agency of MoEF
435	Avdibegović	Mersudin	University of Sarajevo, Faculty of Forestry, Sarajevo	OCI	Head of the Department of Forest Economics, Policy and Organisation
436	Bacic	Alija	Association of Employers in BiH, Sarajevo	OCI	President
437	Bassoumori	Traoré		OCI	Membre Collège Administration
438	Batto	Florent	Ministère d'eaux et forêts (MINEF), Abidjan	OCI	Assistant auprès du PFN, Membre du STP
439	Beeko	Chris	Director TVD; FLEG/VP Focal Point	OCI	Forestry Commission (FC), Timber Verification Department (TVD), Accra
440	Boadu	Alex	Director Operations	OCI	FC, Forest Services Department (FSD), Accra
441	Budi	Rio	Deputy Director	OCI	Indonesia-EU Cooperation, Ministry of Foreign Affairs
442	Buza	Semra (Ms)	FBIH Ministry agriculture, water management and forestry, Sarajevo	OCI	Contact point for the forestry sector
443	Calderon, Ceso III	Ricardo L.	Forest Management Bureau	OCI	Director
444	Cañas	Omar	Comfamiliar	OCI	Experto manejo guadua
445	Castañeda	John	APC (Agencia Presidencial de Cooperación Internacional de Colombia)	OCI	
446	Cejvanovic	Ferhat	Brcko District government,	OCI	Department for agriculture, water management and forestry
447	Ceric	Tarik	Directorate for European Integration (DEI), Sarajevo	OCI	DEI, NIPAC Office, Head of Department for Monitoring and Evaluation - EU Assistance Coordination Division
448	Chit	Pe	Forest Department, MOECAP	OCI	FLEG/VP Focal Point
449	Citra	Rr.	Staff	OCI	Ministry of Trade
450	Colburn	Elinor	US Department of Justice (USA)	OCI	Assistant Chief, Environmental Crimes Section
451	da Conceição Pechisso	Darlindo Ernesto	Direcção Nacional de Terras e Florestas	OCI	Chefe do Departamento de Florestas
452	da Silva	Marcus Vinicius	Serviço Florestal Brasileiro	OCI	Director
453	Dao Van Hiep	Hiep	Customs of Vietnam	OCI	Specialist
454	Delić	Sejla	Foreign Trade Chamber of Bosnia and Herzegovina, Sarajevo	OCI	
455	Djapo	Kouakou Kra	Primature, Abidjan	OCI	CT/Primature
456	Dogui	Aboa	Sodefor, Abidjan	OCI	CT/DG, Membre du CTN
457	Donkor	Ben	Director	OCI	FC, Timber Industries Development Department (TIDD), Accra
458	Duong Phuong Thao	Thao	Import and Export Department, Ministry of Industry and Trade (MOIT)	OCI	Vice director
459	Đurić	Stevo	Association of contractors in forestry - 'Eko – Silva', Banja Luka	OCI	Chairman

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Organisations and persons consulted

460	Edi	Achmad	Indonesian Co-Director	OCI	MFP-3, Jakarta
461	Ehoussou	Niamzou Baptiste	Ministère des eaux et forêts (MINEF), Abidjan	OCI	Directeur General Adjoint
462	Enno	Humberto	CARDER	OCI	Administrador CAV La Virginia
463	Franco	Laura Catalina	MADS	OCI	staff
464	Freezailah		Malaysian Timber Certification Council	OCI	Chairman
465	Fu	Jianquan	State Forestry Administration Department of Development Planning and Finance Management	OCI	Director
466	Gardner	Shelley	US Forest Service (USA)	OCI	
467	Garrid Rivera	Carlos	MADS	OCI	staff
468	Gbadji	Bruce-Jacob	Ministère d'Etat, Ministère des Affaires Etrangères (MEMAE), Abidjan	OCI	Chargé d'Etudes
469	Goahoue	Eliane	Collège Administration, Abidjan	OCI	Sous-directrice à la DEJF, Membre du CTN
470	Gouegone	Henriette	Ministère des eaux et forêts (MINEF), Abidjan	OCI	Chef de bureau Import-Export DEIF, Membre STP
471	Gouesse	Aidara Lanciné	Ministère des eaux et forêts (MINEF), Abidjan	OCI	Négociateur en chef APV-FLEGT
472	Govedar	Zoran	Faculty of Forestry, University of Banja Luka	OCI	Dean of The Faculty of Forestry
473	Gusman	Muhamed	Staff	OCI	Directorate General of EEA & Custom, Ministry of Finance
474	Gyimah	Richard	Manager Verification & Audit	OCI	FC, TVD, Accra
475	Indat	Guy-Alain	Sodefor, Abidjan	OCI	CSCoM, Chargé de Communication
476	Jaramillo	Juan Guillermo	Comfamiliar	OCI	Responsable Manejo Gualuales
477	Jing	Tao	State Forestry Administration Department of Development Planning and Finance Management	OCI	Deputy Director
478	Kamikawa	Kiyoshi	Japan Paper Association	OCI	Managing Director
479	Kandem MAdjo	Angeline	FODER	OCI	
480	Kanowski	Peter	Fenner School of Environment and Society	OCI	Master of University House, and Professor of Forestry
481	Karović	Smail	KJP "Sarajevo Forest" d.o.o.,	OCI	Forest service
482	Kasulu Seya Makonga	Vincent	Ministère de l'Environnement et du Développement Durable	OCI	Secrétaire Général
483	Kecman	Milan	RS ministry of Agriculture, forestry and water management, Banja Luka	OCI	Department for forest and hunting
484	Kedia Affoué	Kouassi Epde	Ministère des eaux et forêts (MINEF), Abidjan	OCI	Chef de service Protection (CT), Coll. Administration
485	Kee	Jason	High Commission of Canada (UK)	OCI	Trade Commissioner
486	Kéké	Olivier Gamoua	Ministre de l'Intégration Africaine et des Ivoiriens de l'Extérieur (MIAIE), Abidjan	OCI	Sous-directeur, Collège Administration
487	Khan	Tasreef	Guyana Forestry Commission	OCI	Deputy Commissioner
488	Klisura	Aziz	FBIH Ministry agriculture, water management and forestry [FMPVIS], Sarajevo	OCI	Executive Director, Federal Administration for Forestry

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Organisations and persons consulted

489	Konate	Bassimori	Ministère des eaux et forêts (MINEF), Abidjan	OCI	Directeur DEIF, Président du Collège Administration
490	Koné	Lamine	Sodefor, Abidjan	OCI	Directeur Commercial
491	Kouadio	Faustan	Sodefor, Abidjan	OCI	Conseiller Technique du Directeur General
492	Kouadio Kossonou	Assale	Collège Administration, Abidjan	OCI	Membre
493	Kouadio Kouakou	Anatole	Collège Administration, Abidjan	OCI	Membre
494	Kouame	Adingra	Directeur de la Nutrition Animale, Abidjan	OCI	Membre Collège Administration
495	Kouamé	Brou Didié	Ministère des eaux et forêts (MINEF), Abidjan	OCI	DGEF, Conseiller Technique
496	Kouamé	Amani Denis	Ministère des eaux et forêts (MINEF), Abidjan	OCI	IGEF, Inspecteur General des eaux et forets
497	Koudou	ép. Gouagoue, Eliane	Ministère des eaux et forêts (MINEF), Abidjan	OCI	S.../DEJF, Responsable STP
498	Krunic	Savo	Ministry of Foreign Trade and Economic Relations of BiH (MOFTER), Sarajevo	OCI	Advisor to the Minister of MoFTER for the sector of forestry
499	Kulyk	Aleksander Antonovich	Ministry of Forestry of Belarus	OCI	First Deputy Minister
500	Kusumastuti	Dyah	Head of Division	OCI	International Affairs and Ratification Division, Secretariat of the Cabinet
501	Kuzmichev	Evgeny	Russian Agricultural Academy	OCI	Professor, Country team leader, ENPI FLEG II Programme
502	Laketić	Radenko	Public Forest Enterprise “Forests of the Republic of Srpska” Joint Stock Company, Sokolac, Banja Luka	OCI	Deputy Director
503	Lee	Mira	Global Forest Resources Cooperation Division, Korea Forestry Service	OCI	Director
504	León	Misael	Instituto Nacional de Conservación y Desarrollo Forestal, Áreas Protegidas y Vida Silvestre	OCI	Director Ejecutivo
505	Liu	Jun	Ministry of Commerce	OCI	Deputy division chief
506	Lorn	So	Department of Forest Industry and International Cooperation	OCI	Deputy Director
507	Lorng	Meledge	Ministère d’eaux et forêts (MINEF), Abidjan	OCI	Chargé d’études, Cabinet
508	Lubis	Mariana	IDN FLEGT /VPA Focal Point	OCI	MoEF; Licensing Information Unit (LIU)
509	Luong Thi Phuong	Phuong	VNFOREST	OCI	Specialist
510	Ma	Hongwei	Ministry of Commerce Department of Foreign Trade	OCI	First Secretary
511	Mai Quang Huy	Huy	Provincial Forest Protection Department	OCI	Vice Head
512	Manarung	Timer	staff member	OCI	KPK (KOMISI PEMBERANTASAN KORUPSI)
513	Marin	Epifanio	CARDER	OCI	
514	Marin	Oswaldo	Policia Nacional, puesto La Betania, Risaralda	OCI	Superintendente
515	Mbangolo	Joseph Désiré	Ministère des forêts et du développement rural	OCI	Point Focal FLEGT
516	Mbongo	Martin	Ministère des Forêts et de la Faune	OCI	Chef du Service des normes

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Organisations and persons consulted

517	Mbongo,	Martin	MINFOF	OCI	Point focal FLEGT
518	Memumebat	Catigpa	Directorate for European Integration (DEI), Sarajevo	OCI	
519	Mitchell	Ben	Australian Department of Forestry and Fisheries	OCI	Director, International Forest Policy
520	Miyazawa	Shunsuke	Wood Products Trade Office	OCI	Director
521	Mondragon	Lilian	MADS	OCI	staff
522	Moreno	Ruben Dario	CARDER	OCI	Tecnical Director
523	Mujinga	Maribè	Ministère de l'Environnement et Développement Durable, RDCONGO	OCI	Directrice de Contrôle et Verification Interne
524	Murillo	Oscar	CARDER	OCI	Respponsable Control y Vigilancia
525	Murillo Juarez	Cesar	Subsecretaría de Gestión para la Protección Ambiental	OCI	Coordinador de Asesores
526	Murniningtyas	Sri	Director	OCI	International Cooreration Agency of MoEF
527	Murti	Wisnu	Staff	OCI	International Cooreration Agency of MoEF
528	N'Dri Kouakou	Théodore	Collège Société Civile, Abidjan	OCI	Membre
529	Nanan	Dodo N'Depo	Collège Chefferie Traditionnelle, Abidjan	OCI	Président du Collège, S/G Porte-parole
530	Nanan	Ndori Joseph	Conseil des rois et des chefs traditionnels, Abidjan	OCI	Membre du CTN
531	Navarro	Rolando	OSINFOR	OCI	Presidente Ejecutivo
532	Ndouna	Auguste	Agence d'execution des activités de la filière foret-bois	OCI	Directeur technique
533	Neskovic	Dusan	Ministry of Foreign Trade and Economic Relations of BiH (MOFTER), Sarajevo	OCI	Assistant Minister, Sector of Agriculture, Food, Forestry and Rural Development
534	Ngonzo	Rodrigue	FODER	OCI	Directeur
535	Nguyen Dai Anh Tuan	Tuan	Provincial Forest Protection Department	OCI	Head
536	Nguyen Manh Dung	Dung	VNFOREST	OCI	Specialist
537	Nguyen Thi Quynh Chi	Chi	Customs of Vietnam	OCI	Specialist
538	Nguyen Tuong Van	Van	VNFOREST	OCI	Vice Director
539	Nguyen Van Nam	Nam	VNFOREST	OCI	Vice Director
540	Nugraha	Dian	Staff	OCI	International Cooreration Agency of MoEF
541	Obiaw	Edward	Director	OCI	FC, Resource Management Support Centre (RMSC), Kumasi
542	Oduro	Alex	Regional Manager	OCI	FC, FSD, Kumasi
543	Orozco	José Miguel	Universidad Distrital	OCI	Representante Academia
544	Osah	Nii	Honorable Minister	OCI	Ministry of Lands and Natural Resources
545	Oualou	Kollou Beauséjour	Ministère des eaux et forêts (MINEF), Abidjan	OCI	IGEF, Inspecteur (Initiateur du processus FLEGT, ex-Point Focal National)
546	Owele	Alfonse	Ministère de l'Economie Forestière, des Eaux, de la Pêche et des Parcs Nationaux	OCI	Point Focal FLEGT
547	Owusu	Frank	Assistant manager, prosecutor	OCI	FC, RMSC, Kumasi

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Organisations and persons consulted

548	Oya	Marie-Thérèse	Ministère des eaux et forêts (MINEF), Abidjan	OCI	Chargé d'Etudes, Cabinet
549	Pai	Rekha	Ministry of Environment, Forests and Climate Change	OCI	Inspector General of Forests
550	Palacios	David Francisco	Ministerio del Ambiente	OCI	Coordinador de incentivos al manejo forestal sostenible
551	Paramita	Cenya	Staff	OCI	Indonesia-EU Cooperation, Ministry of Foreign Affairs
552	Patel	Parul	APHIS (USA)	OCI	Senior Agriculturist
553	Pelaez	Alfonso	CVC	OCI	Director
554	Pešković	Bajram	FBIH Ministry agriculture, water management and forestry, Sarajevo	OCI	Expert advisor forest protection, Federal Administration for Forestry
555	Phandanouvong	Khamphout	Department of Forest Inspection, MAF	OCI	Director General
556	Prayurasiddhi	Theerapat	Royal Forest Department	OCI	Director General
557	Prestemon	Jeffrey	US Forest Service (USA)	OCI	
558	Pulido	Luz Estella	Ministry of Environment (Minambiente) (MADS)	OCI	COL FLEGT Focal Point
559	Ridwan	Johnson	Cooperation Specialist	OCI	KPK (KOMISI PEMBERANTASAN KORUPSI)
560	Ríos	Rigoberto	CARDER	OCI	Contratista de apoyo Control y V.
561	Ruiz Díaz	Alejandra	MADS	OCI	staff
562	Sakamoto	Yuki	Global Environment Forum	OCI	Director
563	Sangaré	Yakouba	Assemblée Nationale, Abidjan	OCI	Député, Membre du CTN
564	Sari	Nefritasi	Staff	OCI	International Cooperation Agency of MoEF
565	Sarsito	Agus	Representative SVLK	OCI	SVLK General Secretariat, MoEF
566	Seferović	Zuhra (Ms)	Directorate for European Integration (DEI), Sarajevo	OCI	Expert Advisor
567	Shaw	Ellen	U.S. Department of State	OCI	Foreign Policy Advisor
568	Soro	Doplé Claude	Ministère des eaux et forêts (MINEF), Abidjan	OCI	Directeur de Cabinet, Point Focal FLEGT
569	Soro	Mamadou	Ministère des eaux et forêts (MINEF), Abidjan	OCI	Sous-Directeur de l'Aménagement,
570	Soro	Yamani	Ministère des eaux et forêts (MINEF), Abidjan	OCI	Directeur Général
571	Subhanudin	Nunu	staff SILK (Sistem Informasi Legalitas Kayu)	OCI	MoEF; Licensing Information Unit (LIU)
572	Sudarto	Dwi	Director	OCI	Ministry of Environment and Forestry (MoEF)
573	Sutoyo	Heru	district forestry service officer	OCI	Dinas, Provincial Forestry Office of Central Java
574	Swegle	Tom	U.S. Department of Justice	OCI	Environment and Natural Resources Division
575	Sylla	Check Tidiane	Ministère des eaux et forêts (MINEF), Abidjan	OCI	Chef de service à la DEIF, Secrétariat Technique Permanent
576	Telić	Darko	RS ministry of Economic Relations and Regional Cooperation, Banja Luka	OCI	Head of Division for funds and Development Assistance of the European Union, Department for European Integration
577	Tian	He	State Forest Administration	OCI	Division chief
578	Toa	Heilmann	Ministère des eaux et forêts (MINEF), Abidjan	OCI	Assistant DAFP

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Organisations and persons consulted

579	Torro	Ubeimar	Comfamiliar	OCI	Guaduro
580	Tra Bi Irie	Emmanuel	Collège Administration, Abidjan	OCI	Membre
581	Tran Hieu Minh	Minh	VNFOREST	OCI	Specialist
582	Tran Le Huy	Huy	Binh Dinh FPA	OCI	Secretary
583	Tran Ngoc Quan	Quan	Department of European Markets, Ministry of Industry and Trade (MOIT)	OCI	Vice director
584	Tran Thien Nhan	Nhan	Provincial Forest Protection Department	OCI	Specialist
585	Traoré	Passaumori	Collège Administration, Abidjan	OCI	Membre
586	Tuagben	Darlington	Forestry Development Authority	OCI	Deputy Managing Director for Operations
587	Tveteraas	Andreas	Norwegian Government's Climate and Forest Initiative	OCI	Deputy Director
588	Urrego Beltran	Edith	Ministerio de Comercio, Industria y Turismo	OCI	Encargada Cadena Forestal
589	Van	Nguyen Tuong	Dept of Science, Technology & International Cooperation, VNFOREST	OCI	Deputy Director
590	Vasques	Carlos Fernando	CARDER	OCI	Contratista de apoyo Control y V.
591	Vásquez	Martir	Instituto Nacional de Bosques	OCI	Jefe de Fiscalización Forestal
592	Velasquez	Marlene	Minagricultura Grupo Cadena Productos Forestales	OCI	Coordinadora CIF
593	Villota	Nelson	CARDER	OCI	
594	Vuong Tien Manh	Manh	VNFOREST	OCI	Specialist
595	Wang	Hua	State Forest Administration	OCI	Deputy Division chief
596	Yao	Marcel	Ministère de l'Environnement (MEDD), Abidjan	OCI	Point Focal National, Secr. exécutif Coordination nationale REDD+
597	Yao Kouakou	Charles	Collège Administration, Abidjan	OCI	Membre
598	Yapi	Franck Alois Yao	Ministère des eaux et forêts (MINEF), Abidjan	OCI	Chef de service à la DEIF, Membre du STP
599	Yeboah	Raphael	Ghana Forestry Commission	OCI	Chief Executive
600	Zenunovic	Ljiljana (Ms)	Brcko District government,	OCI	Department for agriculture, water management and forestry
601	Zuniga Gallego	Juliana Katherine	CARDER	OCI	
Other European Country Institutions					
602	Ady	Susilo	Adviser forestry and climate change	OEC	Royal Norwegian Embassy
603	hodtveld	Marthe	Councillor	OEC	Royal Norwegian Embassy
604	Jørgensen	Ivrrar	Norad	OEC	
Other (e.g. Support Services, Communication)					
605	Jeffree	Mike	Timber trade journal	OTH	Journalist
606	Molenaar	Maxime	ACTIAM ESG Research	OTH	ESG Research Analyst
607	Ocampo	José	privado	OTH	Administrador de finca
Private Sector Organizations					

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Organisations and persons consulted

608	Abeiku	Justice	Artisan miller	PSO	Asomte Akyim Artisan Timber Millers Association
609	Adi	Nurcuhyo	Technical Director	PSO	Indonesian Forestry Certification Cooperation (PEFC)
610	Adil	Zulfikar	Director	PSO	PT BRIK (Conformity Assessment Body - CAB)
611	Ahoussi	Delphine	Synepsefor, Collège Secteur Privé, Abidjan	PSO	Membre du CTN
612	Ajeh	Ben	Forest Manager	PSO	LLL, Kumasi
613	Akpakoua Ndjema	Valère	ASBAK/RACOPY	PSO	
614	Akyaw	Owusu	Representative	PSO	Ghana sawn timber sellers association (GSTA), Kumasi
615	Albanis	Yannis	Hellenic Timber Association	PSO	Director
616	Ammankra	Emmanuel	Owner	PSO	Wamamko Ltd, (sawmill, SME), Nkabie district
617	Arnah	Justie	Artisan miller	PSO	Sankore Decadu Artisan Timber Millers Association
618	Asamoah	Kwame	President	PSO	Ghana Timber Millers Organization (GTMO)
619	Aten	Irwan	Inspector	PSO	PT Mutu Hijau Indonesia (CAB)
620	Atta	Alhassan	former director TIDD, chair negotiation	PSO	Georgetown, Guyana (by Skype)
621	Audigier-Dissard	Anne-Virginie	Kingfisher	PSO	Responsable Affaires Publiques
622	Auger-Schwartzberg	Mathieu	FSC International	PSO	FSC Sub-regional Coordinator Congo Basin
623	Azizi	Tina	member	PSO	APKINDO; PT Kutai Timber; plywood industry
624	Baglin	Paul	Barclays	PSO	Director, Environmental Management
625	Bancila	Alex	ASFOR	PSO	Staff member
626	Baraize	Patrick	LCB (Le Commerce du Bois), Paris	PSO	
627	Bastin	Didier	ALPICAM	PSO	Project Manager Aménagement et Certification
628	Biloa	Jerome	BACUDA	PSO	
629	Bittard	Enatnesh	Inprobois	PSO	Membre Collège Secteur Privé
630	Boateng	Ntiamoa	President	PSO	Furniture and Wood Products Association of Ghana (FAWAG), Kumasi
631	Boateng	Agyemin	Artisan miller	PSO	Acrodyne Artisan Timber Millers Association
632	Boer, de	Andre	VVNH	PSO	SecGen European Timber Trade Federation
633	Boilley	Eric	LCB (Le Commerce du Bois), Paris -	PSO	Directeur
634	Bolen	Benedictus	Staff	PSO	PT KLI, Kendal (plywood company), APKINDO member
635	Botia A.	Mario J.	Artecma	PSO	Gerente General
636	Boury	Sabine	Union des Fabricants de Contreplaqué, Paris	PSO	Déléguée Générale
637	Bravo	Oscar	Revista del Mueble y la Madera / Fedemaderas	PSO	Dueno / Junta Directiva FdM
638	Brinkhaus	Hans	Importer Tropical Timber	PSO	
639	Brooks	Charles	SYNGOPIB, Abidjan	PSO	Membre Collège Secteur Privé
640	Budi	Hermawan	GPEI Indonesia	PSO	
641	Budiman	G.R.	member	PSO	APKINDO; plywood industry

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Organisations and persons consulted

642	Bui Bao	Tin	Truong Son wood Co. Ltd.	PSO	Vice Director
643	Bui Van Tin	Tin	Phuoc Hung Joint Stock Company	PSO	Director
644	Butler	Rachel	Global Timber Forum	PSO	
645	Carstensen	Kim	FSC	PSO	Director General
646	Castaldot	Berenice	ATIBT	PSO	
647	Cerullo	Sebastiano	Federlegno	PSO	
648	Cindy	Squires,	International Wood Products Association	PSO	Executive Director
649	Constantin	Corduneanu	Romsilva (public forest company)	PSO	
650	Corradetti	Domenico	Federlegno	PSO	Chief Executive
651	Coulibaly	Gousmane	SIGEFIB, Abidjan	PSO	Membre Collège Secteur Privé
652	Dadzawa	Christopher	Former Secretary Ashanti Region	PSO	FAWAG, Kumasi
653	Dahringer	Guillaume	FSC France, Vannes	PSO	Directeur Technique
654	Dandjima	Emmanuel	Owner	PSO	Danjima & Sons Ltd. (sawmill, SME), Nkabie district
655	Daza Saavedra	Luis Antonio	Maderformas SAS	PSO	Gerente General
656	de Boer	Andreas (André)	ETTF	PSO	Secretary General
657	de Teresa Paredes	Vidal	MADINTER, Spain	PSO	CEO
658	de Turck	Bart	FBCIB	PSO	General Secretary
659	Delion	Sebastien	WIJMA	PSO	
660	Dezzuto	Stefano	Federlegno	PSO	Representative of the association of wood importers
661	Diaby	Loren	SIGEFIB, Abidjan	PSO	Membre Collège Secteur Privé
662	Diaby	Mamadou	SIGEFIB, Abidjan	PSO	Membre Collège Secteur Privé
663	Doh	César	SYNGOPIB, Collège Secteur Privé, Abidjan	PSO	Membre Collège SP
664	Douaud	Loïc	PALLISCO	PSO	
665	Flécharde	Marie-C.	Soil Association Woodmark	PSO	Certification Manager, Africa (rep. in France)
666	Forester	Craig	IWPA	PSO	IWPA Government Affairs Committee Chairman
667	Fredriksson	Tage	Bioenergia ry	PSO	
668	Furgon	Falah	Owner SME	PSO	CV Natarrel Furniture, Bantul; SME (partly) wooden furniture (group certificate SVLK Kaya Nusantara)
669	Gao	Ya	China Timber and Wood Products Distribution Association (CTWPDA)	PSO	director of international cooperation
670	Gardin	Marco	Groupe Saint-Gobain, DMBP (Distribution Matériaux Bois Panneaux), Paris	PSO	Responsable Politique Environnement Bois
671	Goga	Liviu Aurelian	ASFOR	PSO	Legal advisor, responsible for DDS development
672	Grauert	Ulrich	Danzer, Germany	PSO	COO Africa, INTERHOLCO AG
673	Greenbury	Aida	Director	PSO	APP (paper & pulp company)

Annex 2**Organisations and persons consulted**

674	Guhe K.	Albert	SYNGOPIB, Abidjan	PSO	Membre Collège Secteur Privé
675	Gunneberg	Ben	PEFC	PSO	CEO and Secretary General
676	Gustav	Adu	Ghana SME Project	PSO	
677	Ha	Jaechun	Client of PT Haim Makmur	PSO	South Korea (temporarily Magelang)
678	Halkett	John	Australian Federation of Timber Importers, Sydney	PSO	
679	Halonon	Jukka	Metsäteollisuus ry, Finnish Forest Industries Federation	PSO	
680	Heinonen	Petri	UPM	PSO	
681	Helga	Kumontoy	Asmindo	PSO	
682	Heuvel, van den	Paul	VVNH	PSO	Director
683	Hga Onana	Ghyslèbe Reine	Assosiation Nationale des exploitants forestiers négociants et transfromateurs de bois	PSO	Secrétaire permanent
684	Howlett	Kip	Hardwood Plywood & Veneer Association (USA)	PSO	President
685	Huet	Paul-Emmanuel	Rougier	PSO	Responsable Sociétal et Environnemental
686	Huguet	Antoine	Bureau Veritas Certification France, Paris - EUTR SP + EUTR MO	PSO	Forestry Dept Manager
687	Hunink	Robert	OLAM	PSO	
688	Isdianto	Adnan	Owner SME	PSO	CV Benya, Bantul; SME (partly) wooden furniture (group certificate SVLK Kaya Nusantara)
689	Jardinier	Gaëlle	Sofreco (Société française de réalisation d'études et de conseil), Clichy	PSO	Project Manager, Environment and Natural Resources Management
690	Jeghalian	Avedis	Director	PSO	Logs & Lumber Limited (LLL), sawmill & plywood, Kumasi
691	Jounda	Hermine	CAJAD	PSO	
692	Käär	Liisa	Tapio Oy	PSO	
693	Kahrimanović	Adnan	EĆO company, Sarajevo	PSO	Manager
694	Kallio-Mannila	Pekka	Stora Enso	PSO	
695	Kemavo	M.	ONFI, Paris	PSO	Expert forestier et cartographe
696	Klaumann	Jakob Rygg	Dansk Traeforening	PSO	Director
697	Kling	Dimitri	Kaiser Kommunikation (Malaysian Timber Council)	PSO	
698	Kono	Moise	CED	PSO	
699	Kooloos	Richard	ABN AMRO	PSO	Director, Sustainable Development
700	Kopetzky	Marius	Arbeitsgemeinschaft der Rohholzverbraucher	PSO	
701	Kristiaf	Budi	member	PSO	APKINDO; plywood industry
702	Kuru	George	service provider to FC (WTS)	PSO	Atta Marie Group, Jakarta Indonesia (by Skype)
703	Kwame	Asamoah Adam	Ghana Timber Millers Organization	PSO	Chief Executive Officer
704	Latham	Peter	Latham (James Latham plc), UK	PSO	Chairman

Annex 2**Organisations and persons consulted**

705	Lawrence	Jamie	Kingfisher, UK	PSO	Senior Sustainability Advisor
706	Lentini	Marco	WWF GFTN (Brazil)	PSO	
707	Liverani	Stefano	Tranchivoire, Abidjan	PSO	Membre Collège Secteur Privé
708	López	Narcés Vicente	Agencia Super Maderas	PSO	Gerente
709	Luhtasela	Markku	Metsä (Senior Vice President)	PSO	
710	Luzu	Abu	Executive	PSO	Socoban Wood Village, Kumasi
711	Mabay	Romial	OKANI	PSO	
712	Machado	Joaquín	Yarima Guadua E.U.	PSO	Empleado
713	Madjuka	Charles	BACUDA	PSO	
714	Makkonen	Päivi	Metsä (Director, sustainability)	PSO	
715	Makmur	Buniadi	Marketing Director	PSO	PT KLI, Kendal (plywood company), APKINDO member
716	Malik	A.A.	Secretary General	PSO	APKINDO (Indonesian Exporters Association); plywood industry
717	Manteca	Jaime	COPADE (Foundation), Spain	PSO	International Coordinator
718	Marchesi	Stéphane	PEFC France, Paris	PSO	Secrétaire Général
719	Marilou	Balano	Philippine Exporters Foundation	PSO	
720	Mba	Victorienne	APED	PSO	
721	Mejia	Lucia	Yarima Guadua E.U.	PSO	Gerente
722	Mensah	Osei	Executive	PSO	Socoban Wood Village, Kumasi
723	Messe	Venant	OKANI/FPP	PSO	
724	Mether	Jesse	Rautakesko Oy	PSO	
725	Moore	Steve	British Furniture Manufacturers (UK)	PSO	Consultant
726	Msiah	Peter	Executive	PSO	Socoban Wood Village, Kumasi
727	Myrna	Bituin	Chamber of Furniture Industries of the Philippines	PSO	
728	Ndo'o Ndongo	Charles	ADEBAKA	PSO	
729	Ngo Sy	Hoai	VIFORES, Vietnam	PSO	
730	Nguyen Ton Quyen	Quyen	Vietnam Timber Association (ViFOREST)	PSO	General Secretary
731	Nicolaescu	Daniel	AAP	PSO	Vice President
732	Ntanga	Pamphile	FECAPROBOIS	PSO	SG Adjoint, et responsable des achats groupés (approvisionnement en bois légal) / Promoteur Ets Bois & Perspectives
733	Ntolo	Régine	ABAGUENI	PSO	
734	Oksa	Sami	UPM	PSO	
735	Ospitia	Alejandra	FEDEMADERAS	PSO	Directora Ejecutiva
736	Ouaguaia,	Blandine (Ms.)	GFBC	PSO	Assistante du Directeur
737	Oukem	René	Oukem sarl (construction bois)	PSO	Director General

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Organisations and persons consulted

738	Ousmane	Koulibaly	SIGEFIB, Collège Secteur Privé, Abidjan	PSO	Membre
739	Overeem, van	Berdien	AVIH	PSO	
740	Owono Owono	François Eugène	Fédération Nationale des Associations des PME/PMI de la filière bois du Cameroun "FEDE"	PSO	Secrétaire permanent
741	Park	John	Canada Wood UK	PSO	Manager
742	Pöntinen	Juha-Pekka	PUU	PSO	Chairman of the Board
743	Prayudi	Herman	Manager	PSO	APHI (Association of Indonesian Forest Concessionaires)
744	Preve	Thomas	Point P.	PSO	
745	Punja	Anand	Timber Trade Federation (UK)	PSO	
746	Purnomo	Budi	Staff	PSO	PT KLI, Kendal (plywood company), APKINDO member
747	Quiroga	Javier Rico	Triplex Omega SAS	PSO	Gerente General
748	Ramunni	Massimo	Assocarta (Italian trade association for paper)	PSO	
749	Raymond	Li	Dixons Sourcing Limited a member of Dixons Carphone Group	PSO	
750	Ridder	Ralph	ATIBT	PSO	Director General
751	Ripatti	Jussi	Metsä (Environmental Director)	PSO	
752	Robbie	Weich	Tradelink	PSO	
753	Robianto	Koestomo	GPEI Indonesia	PSO	
754	Rodriguez Melo	Miguel	Monterrey Foresta Colombia SAS/ Fedemaderas	PSO	Presidente / Junta Directiva FdM
755	Romelin	Ben	FSC Nederland	PSO	Nanager FSC Network
756	Romero	Alberto	AEIM	PSO	General Secretary
757	Romero	Jose Luis	Equiforest SAS / Fedemaderas	PSO	Reforestation investor / Junta Directiva FdM
758	Romero	Anapatricia	Artecma	PSO	Directora Proyectos Especiales
759	Saefudin	Arif	Director	PSO	PT Haim Makmur (ship ladder & furniture SME), Magelang
760	Salah	Boubakar	Syndicat de Producteurs Industrie Bois, Abidjan	PSO	Président du Collège Secteur Privé
761	Salvio	Valenzuela	Chamber of Furniture Industries of the Philippines	PSO	
762	Santoso	Joko	Staff	PSO	PT KLI, Kendal (plywood company), APKINDO member
763	Satkuru-Granzella	Sheam	Malaysia Timber Council (UK)	PSO	Director
764	Segborwotso	Clifford	Certification Manager	PSO	LLL, Kumasi
765	Senady	Hendry	General Director	PSO	PT Kayu Lapis Indonesia - KLI, Kendal (plywood company)
766	Setyadi	Rumekso	Owner SME	PSO	CV Industri Classica Variasi, Bantul; SME (partly) wooden furniture (group certificate SVLK Kaya Nusantara)
767	Shi	Feng	China National Forest Product Industry Association (CNFPPIA)	PSO	General secretary

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Organisations and persons consulted

768	Soufflot	André	ATIBT	PSO	FLEGT Coordinator
769	Spronk	Bas	Timber Trade Connection BV	PSO	
770	Squires	Cindy	International Wood Products Association (USA)	PSO	Executive Director
771	Sullivan	Francis	HSBC	PSO	Advisor on the Environment
772	Sumandjani	Lisman	Vice Chairman	PSO	ASMINDO (Indonesian Association of Furniture Industries)
773	Suryoas	Eko	Staff	PSO	PT KLI, Kendal (plywood company), APKINDO member
774	Swasono	R.	Human Resources Department	PSO	PT Eastwind Mandiri, Boja (furniture factory), ASMINDO
775	Tanoe	Roger	SIGEFIB, Abidjan	PSO	Membre Collège Secteur Privé
776	Tao	Yiming	China Timber and Wood Products Distribution Association (CTWPDA)	PSO	deputy secretary general
777	Tchepnang	Barthélemy	CAJAD	PSO	Directeur
778	Thornback	Jane	Construction Products Association, UK	PSO	Sustainability Policy Adviser
779	Tomaselli	Ivan	STCP (Brazil)	PSO	President
780	Torsu	Emmanuel	Artisan miller	PSO	Asomte Akyim Artisan Timber Millers Association
781	Tran Van Nam	Nam	Truong Son wood Co. Ltd.	PSO	Director
782	Trujillo	Otto	Trujillo Maderas & Materiales	PSO	Gerente
783	Trujillo	Adriana	Yarima Guadua E.U.	PSO	administradora grupo SLIMF
784	Tuohiniemi	Tapani	Puuteollisuusyrittäjät ry, Association of Finnish Woodworking and Furniture Industries	PSO	
785	van den Heuvel	Paul	NTTA	PSO	Managing Director
786	van Loon	Tom	Danzer, Germany	PSO	Environmental & social Manager, INTERHOLCO AG
787	Wahyu	Hamza	Manager	PSO	PT Albasia Bumi Pala; Temanggung (sawmill and plywood factory)
788	Walker	Linda	WWF GFTN (USA)	PSO	Director
789	Wang	Shaofang	Shanghai timber industry association	PSO	Deputy Secretary General
790	Weide	Wouter	Raad Nederlandse Detailhandel	PSO	
791	Wellhöffer	Stefan	Welltrade (Brazil)	PSO	Owner
792	White	John	UK Timber Trade Federation	PSO	Chief Executive Officer
793	Yaw	Elijah	consultant (negotiation phase)	PSO	PAB Development Consultants, Tema
794	Yuhan	M.	Staff	PSO	PT KLI, Kendal (plywood company), APKINDO member
795	Yusuf	M.	Factory Manager	PSO	PT Eastwind Mandiri, Boja (furniture factory), ASMINDO
796	Zabubenin	Evgeny	IKEA Russia	PSO	Forest resource manager
797	Zakine	Sandra	PEFC France, Paris	PSO	Adjointe au SG

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Organisations and persons consulted

798	Zetten, van	Jessica	Accsys Technologies	PSO	QA Manager
799	Zhang	Liyan	China National Forest Product Industry Association (CNFPPIA)	PSO	Director of International Cooperation Department.
800	Zunino	Sara	Conlegno (Monitoring Organisation)	PSO	
Regional Institutions					
801	Cassetta	Matthew	CBFP (Congo Basin Forest Partnership)	REI	Facilitator
802	Sukmajaya	Dian	ASEAN	REI	
803	Tabuna	Honoré	CEEAC	REI	Cellule régionale FLEGT
804	Tadoum	Martin	COMIFAC	REI	Secrétaire Exécutif Adjoint-Coordonnateur Technique
805	Thaung	Tint L.	RECOFTC	REI	Executive Director
806	Uncovsky	Stepan	Regional Project Forest and Biodiversity Governance	REI	Director
Service Providers and Experts					
807	Acworth	James	NIRAS Finland - Consultant, UK	SPE	4 FGMC country reviews for TripleLine (DRC, Congo Brazza, Cameroon and Ghana, leading the last two)
808	Alkema	Arjan	FSC Netherlands	SPE	
809	Andrighetto	Nicola	ETIFOR srl	SPE	Consultant forest certification & sector
810	Asfaha	Shoa	Triple Line, London UK	SPE	Senior Consultant
811	Astill	Stuart	IOD PARC (International Organisation Development Ltd)	SPE	EFI 'Impact Monitoring' contract
812	Blästen	Anni	Indufor, Finland	SPE	Senior Consultant
813	Block	Nadine	Sustainable Forest Initiative (UK)	SPE	VP, Government Affairs and COO
814	Blundell	Arthur	Consultant	SPE	
815	Bohorquez	Nhaydu	FAO Colombia	SPE	Regional consultant FAO-FLEGT
816	Boven-Flier, van	Debora	NepCon	SPE	Manager & Lead auditor
817	Brack	Duncan	Consultant, UK	SPE	Long/continuing work on FLEGT, ex-Chatham House
818	Brogan	Clare	IDLgroup	SPE	Supporting VPA process in W Africa
819	Brown	David	- (UK)	SPE	Consultant
820	Butler	Rachel	Consultant, UK	SPE	RBA Director & GTF (Global Timber Forum) Manager
821	Cooper	Patrick	- (UK)	SPE	Consultant
822	Cullinane	Lucy	efeca, UK, EUTR Review Consortium	SPE	Consultant, MS annual reporting and stakeholder consultation, EUTR Review team Indufor
823	De Bonafos	Hubert	Bureau Veritas	SPE	Director, China
824	de Touchet	Antoine	IA'S (Sarl INFO ADAPT' SERVICES)	SPE	Directeur commercial
825	De-Bonafos	Hubert	Bureau Veritas	SPE	Certification Director for Greater China.
826	Del Gatto	Filippo	Consultant	SPE	
827	Diepstraten	Mark	SKH	SPE	
828	Donovan	Richard	Rainforest Alliance (USA)	SPE	Senior Vice President and Vice President of Forestry
829	Fanzeres	Anna	- (Brazil)	SPE	Consultant

Annex 2

Organisations and persons consulted

830	Fripp	Emily	efeca, UK, EUTR Review Consortium	SPE	MD efeca, Consultant for EUTR Review team Indufor
831	Geerling	Chris		SPE	
832	Grigoriev	Alexey	Consultant	SPE	Member of FFA Public Council, FLEG II Consultant
833	Groenendijk	Hans	TISE Consultancy	SPE	International Expert Natural Resources Man
834	Groutel	Emmanuel	WALE, France	SPE	
835	Guillen	Abraham	DAI (Liberia)	SPE	VPA Support Unit
836	Heald	Andrew	- (UK)	SPE	Consultant
837	Hobley	Mary	- (UK)	SPE	Consultant
838	Hudson	John	Consultant, UK	SPE	Hudson-Paul, 2010, FLEGT AP Progress Report
839	Jong, de	Bert	DuraCert	SPE	
840	Kirkby	Andrew	Bureau Veritas	SPE	
841	Knoell	Andreas	Consultant	SPE	
842	Langdon	Gweneth	Rainforest Alliance (USA)	SPE	Chain of Custody Specialist
843	Lounasvuori	Jussi	Indufor, Finland, EUTR Review Consortium	SPE	Project manager, EUTR implementation and review
844	Malmström	Miika	Indufor, Finland, EUTR Review Consortium	SPE	Consultant, Forest Economics, Focal point EUTR Review
845	Masiero	Mauro	Univ. Padova, IT, EUTR Review Consortium	SPE	Researcher Monitoring Organizations , EUTR Implementation/ EUTR Review team Indufor
846	Mes	Gommert	independant informer	SPE	consultant
847	Naaijen	Christine	Form International	SPE	Forestry Expert
848	Navarro	Guillermo	independant informer, CATIE	SPE	evaluator CARDER project
849	Oksanen	Tapani	Indufor Oy [Helsinki, Finland]	SPE	Board Member / consultant
850	Paradiso	Davide	ConLegno (Italy)	SPE	
851	Pater, de	Cathrien	Aranyani	SPE	
852	Paul	Catherine	Consultant, Belgium	SPE	Hudson-Paul, 2010, FLEGT AP Progress Report (design of the survey)
853	Petersen	Nils Olaf	GD Holz	SPE	
854	Polinder	Andries	Form International	SPE	
855	Richardson	Lydia	Triple Line, London UK	SPE	Director
856	Schwabe	Jörg	GD Holz (www.holzhandel.de)	SPE	Main internal auditor for MO's members' DDS'
857	Sloth	Christian	NEPCon	SPE	
858	Smith	Keith	DAI (UK & Liberia)	SPE	VPA Support Unit
859	Speechly	Hugh	Consultant, UK	SPE	Technical assistance to EFl
860	Stegeman	Gerben	Control Union	SPE	
861	Unsworth	Sue	Consultant	SPE	
862	Veen, van	Huib	PEFC Nederland	SPE	Coördinator Beleid & Registratie

Annex 2**Organisations and persons consulted**

863	Walker-Palin	Julian	Consultant, UK	SPE	Sustainability Consultant, PEFC board member
864	Wiegman	Ted	SYMACO Advies	SPE	
865	Williams	Jeremy	- (USA)	SPE	Consultant
866	Zakharenkov	Andrey	Russian Far-East Forest Certification Centre (RFE FCC)	SPE	RFE FCC Manager, Regional consultant, ENPI FLEG II Programme

Annex 3 Evaluation methodologies and instruments

- 1) EU MS Survey**
- 2) VPA survey**
- 3) Public survey**
- 4) Tools for the field**

EU FLEGT Action Plan Evaluation Survey for EU Member States

Introduction

In 2003 the EU published its EU FLEGT (Forest Law Enforcement, Governance and Trade) Action Plan describing various mechanisms for curbing illegal logging, its trade and consumption and fostering good governance in both timber producing and consuming countries. Now it is time to review the Action Plan and to take stock of contributions, achievements and lessons learned. This will be done through an overall evaluation of the FLEGT AP that is conducted in 2015.

This survey is part of the FLEGT Action Plan Evaluation. It has been designed to gather information on your country's contribution to the FLEGT Action Plan, your perceptions on achievements, and your recommendations for the future.

The survey aims to get information on three distinct topics:

Part I Your government's contributions, budgets, management and implementation of the FLEGT Action Plan

Part II Your perceptions on achievements of the FLEGT Action Plan

Part III Your government's expectations, and future actions of the FLEGT Action Plan.

Please finalise this online questionnaire and the attached tables latest by 22 May 2015. If you have any question, please do not hesitate to contact either Marlen Arkesteijn (postbus@marlenark.demon.nl) or Yann Petrucci (y.petrucci@terea.net).

Thank you very much for your time and efforts dedicated to this exercise.

Annex 3 : Evaluation methodologies and instruments - EU MS Survey

Instructions

Attached to this questionnaire *you will find a table for all past and current activities, budgets* etc. and a table to list all studies and reports related to FLEGT AP (see the right column of the survey under Background Documents, download it and fill it in). Please return this table to Marlen Arkesteijn (postbus@marlenark.demon.nl).

The period of review is from 2003 till the end of 2014. Some of you have provided information during the FLEGT AP Progress Review of 2010 (by Hudson and Paul). This information will be sent to you in a separate email to facilitate filling in the table attached to the questionnaire.

Please note that a **single questionnaire should be filled in and submitted** for each Member State. If several departments or agencies are involved in supporting the implementation of the FLEGT AP, we kindly ask you to coordinate the response of all those involved, with one department taking the lead and compiling and sending in all relevant information. You can save the online questionnaire as draft at any time (**but copy the link given to you after saving!**) and continue at another point in time. The questionnaire itself takes –depending on the number of activities undertaken by your country between 30 minutes and 2 hours. The tables attached to the questionnaire will require some additional time.

Please note that the number of the questions depends on answers you provide, and therefore also the numbering of the question may seem illogical (missing numbers).

Some reminders

Please read this part before starting to fill in the questionnaire.

1. Defining FLEGT AP interventions, support, programmes

In the first part of this survey we ask you to make your country's contributions to the FLEGT AP explicit. For this purpose we have defined FLEGT AP programme, projects, actions and interventions as follows:

Programmes, projects, actions and interventions are considered FLEGT AP programmes, projects, actions and interventions if and when they are designed to tackle illegal logging and support the FLEGT AP with explicit reference to the FLEGT AP in its title, objectives or in its logical framework.

2. Action Areas of the FLEGT Action Plan

- **Area #1** – Support to timber producing countries: partner countries (either VPA or non VPA countries) receive support to address illegal logging in a just and equitable manner; this support helps them develop timber legality assurance systems, increase transparency in forest management, build their capacities with regard to all aspects of forest governance, and implement the policy reforms needed to tackle illegal logging. This includes support to VPA countries (and the commission) on the preparation, negotiation and development of VPAs.
- **Area #2** – Trade in timber: the EU imports only legally produced timber/timber products from FLEGT partner countries (as result of the VPAs). From 2003 onwards the volumes of illegal timber/timber products entering the EU market have been significantly reduced. A multilateral framework is established for international collaboration on tackling the trade in illegal timber, and if necessary additional legislation is adopted to prevent the import and marketing of illegal timber/timber products.
- **Area #3** – Public procurement: EU Member State public procurement policies promote the use of sustainable and verified legal timber/timber products by government agencies.
- **Area #4** – Private sector initiatives: initiatives in favour of sustainable forest management and the use of legal timber/timber products are encouraged, both in the EU and in FLEGT partner countries.
- **Area #5** – Financing and investment: EU-based banks and financial institutions that lend to or invest in the forest sector incorporate environmental and social as well as legality aspects in their due diligence assessments.
- **Area #6** – Use of existing legislative instruments: money laundering and other legislation is used to

Annex 3 : Evaluation methodologies and instruments - EU MS Survey

- **Area #6** – Use of existing legislative instruments: money laundering and other legislation is used to reduce imports and use of illegally harvested timber and derived products.
 - **Area #7** – Conflict timber: a framework for addressing the issue of conflict timber is set up.
-

Annex 3 : Evaluation methodologies and instruments - EU MS Survey

General Information

Fields marked with * are mandatory.

1 *Member State on behalf of which this questionnaire is compiled:

2 *Lead Respondent

	Name(s), department, function and e-mail address of lead respondent
First and last name	
Department/Agency	
Function	
Year started working on FLEGT issues	
E-mail address	
Telephone	
Skype address	

3 Other key contributor (1)

	Name(s), department, function and e-mail address of main respondent(s)
First and last names	
Department/Agency	
Function	
Year started working on FLEGT issues	
E-mail address	
Telephone	
Skype address	

4 Other key contributor (2)

	Name(s), department, function and e-mail address of main respondent(s)
First and last names	
Department/Agency	
Function	
Year started working on FLEGT issues	
E-mail address	
Telephone	
Skype address	

- Other key contributor (3)

	Name(s), department, function and e-mail address of main respondent(s)
First and last names	
Department/Agency	
Function	
Year started working on FLEGT issues	
E-mail address	
Telephone	
Skype address	

5 Which department/ministry of your Government is currently leading/ coordinating FLEGT actions?

Annex 3 : Evaluation methodologies and instruments - EU MS Survey

(If functions are merged in one department/ministry, please tick or underline multiple boxes)

- Forestry
- Agriculture
- Environment
- Customs
- Finance
- Development
- Other namely.....

7 Who else (government departments, and other stakeholders) is involved in the implementation of the FLEGT AP in your country? Please tick or underline. Multiple answers possible.

- Forestry
- Agriculture
- Environment
- Customs, administration, and/or finance
- Development Cooperation
- Other governmental departments/agencies
- NGOs
- Private sector organisations
- Think tank and research institutions
- Others, namely

9 How would you rate awareness in your government / department of the FLEGT Action Plan? Please tick or underline.

- Well aware
- Somewhat aware
- Not aware

10 In which FLEGT related groups/meeting/fora does your government participate? Please tick or underline. Multiple answers possible.

- Council Working Party on Forestry
- FLEGT Committee (Assist Comm. to implement FLEGT regulation and EUTR (established under FLEGT regulation))
- EUTR enforcement group (expert group on EUTR enforcement)
- FLEGT Ad-hoc meeting (established by WPF, strong focus on VPAs and cooperation)
- FLEGT and REDD group (sub-group of FLEGT ad-hoc dealing with FLEGT - REDD synergies)
- European Tropical Forestry Advisers Group (ETFAG)
- FLEGT week
- Other, namely

12 In which action areas of the FLEGT Action Plan has your country been active? (Multiple answers possible) *Please see introduction of the questionnaire for an explanation of the action areas.* Please tick or underline.

- Area #1 – Support to timber producing countries
- Area #2 – Trade in timber
- Area #3 – Public procurement
- Area #4 – Private sector initiatives
- Area #5 – Financing and investment
- Area #6 – Use of existing legislative instruments
- Area #7 – Conflict timber Not involved in FLEGT AP at all
- Other, namely

Annex 3 : Evaluation methodologies and instruments - EU MS Survey

14 For action areas in which you are not active: Could you explain (per action area) the reasons why you are not active?

PART I - ACTIONS, BUDGETS & MANAGEMENT OF THE FLEGT

EU FLEGT AP AREA #1: SUPPORT TO TIMBER PRODUCING COUNTRIES (VPAs and non-VPAs)

15 What types of support has your government given to **one or several timber producing countries** within the framework of the FLEGT AP? Multiple options can be selected. Please tick or underline.

- Bilateral in kind contributions in a timber producing country (short-term assistance) (1)
- Bilaterally posted one or several government supported experts/officials for a period of at least 3 months in a partner country (2)
- Bilateral financial support to VPA country administration in negotiating/implementing VPA (3)
- Bilateral financial support for institutional strengthening and regulation of forest management (4)
- Bilateral financial support for national NGO advocacy and capacity building (5)
- Bilateral financial support for private sector initiatives in partner countries (6)
- Bilateral financial support to national research and think tank initiatives on illegal/legal logging (7)
- Financial or in-kind support through international/third country NGOs, research institutions, think tanks etc. to support timber-producing countries (8)
- Financial or in-kind support through multi-lateral organisations and programmes (9)
- Financial or in-kind support through other EC programmes (10)
- Any other financial or in kind support namely(11)

17 Has your government given support to **the Commission in VPA negotiation** in any of the following ways. Multiple options can be selected. Please tick or underline.

- Representatives from your government (officials, diplomats or development agency staff, from headquarters, Embassies or local representation offices) participated in the negotiation of any VPAs for the Commission (1)
- Your government appointed any government staff to support the Commission in VPA negotiation (include only those that were appointed for >3 months) (2)
- Your government provided/financed technical expertise (consultants) to support the Commission in VPA negotiation (3)
- Your government has supported the Commission in VPA negotiations in other ways (4)
- Your government has not supported the Commission in VPA negotiations (5)

If your government provided any support in the field of Action Area 1 Support to timber producing countries, please briefly describe the action(s) concerned in the table attached to the questionnaire.

18. [Optional] Open space: Please provide any other additional information or comments on support provided to timber producing countries in relation to the FLEGT AP in the space below.

FLEGT AP AREA #2: TRADE IN TIMBER (EUTR and Multilateral framework)

ON EUTR

ON the EUTR more detailed questions will be solicited during the EUTR Review 2015 by Indufor.

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19 To what extent has the EUTR in your view been effectively implemented during its first 2 years?

--

20 Which factors have positively or negatively affected effective implementation of the EUTR?

--

For any activities that your government additionally implemented –besides the policy measures themselves- to facilitate the implementation and enforcement of the EUTR policy measures briefly describe some details on the action(s) concerned in the table attached to the questionnaire.

On multilateral frameworks

21 In which multilateral, regional or bilateral initiatives to advance a multilateral framework to improve forest law enforcement, governance and associated trade has your government engaged? Multiple options can be selected. Please tick or underline.

- World Bank FLEG regional initiatives, including ENAFLEG (1)
- G8 summits (2)
- International Tropical Timber Agreement (ITTA) (3)
- United Nations Forum on Forests (UNFF) (4)
- ASEAN work on forests (5)
- Congo Basin Forest partnership (6)
- Forest Europe Ministerial Conference (7)
- Baltic Sea Initiative (8)
- Other namely..... (please name all other initiatives) (9)
- None (10)

If your government has been engaged in these initiatives, please provide details in the table attached to the questionnaire.

23 [Optional] Open space: Provide any other additional information or comments with regard to trade in timber in the space below.

--

FLEGT AP AREA #3: PUBLIC PROCUREMENT

24 Does your government have a public procurement policy that aims to contribute to the objectives of the FLEGT AP and if so, what is the main focus? Please tick or underline.

- EUTR compliance (1)
- Legal compliance with regard to social and/or economic criteria (2)
- Sustainability (3)
- No Public procurement policy (4) (continue with question 27)

25 If yes: does it specifically recognise and will it favour FLEGT licensed timber/timber products once they are in the market? Please tick or underline.

- Yes (1)
- No (2)

26 If it does not/will not specifically recognise/favour FLEGT-licensed timber/timber products, what is or what are the reason(s) for this? Please explain.

--

27 If your government has not yet adopted a procurement policy for timber/timber products, does it

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have plans to do so within the next two years? Please tick or underline.

- Yes (1)
- No (2)

28 If not, what is or what are the reasons for this? Please explain.

29 Does your government use or consider using other instruments to promote the use of legally and/or sustainably produced timber? Please tick or underline.

- Yes (1)
- No (2)

30 If so, please specify below.

If your government has been engaged in public procurement initiatives to promote the use of legally and/or sustainably produced timber, please provide details in the table attached to this questionnaire.

FLEGT AP AREA #4: PRIVATE SECTOR INITIATIVES

31 If you deployed initiatives with private sector actors in your country or in timber producing countries, which types of private sector organisations were involved? Multiple options can be selected. Please tick or underline.

- Individual companies in your country (1)
- Individual companies in FLEGT partner countries (2)
- Business federations / trade associations specifically involved in the processing and/or distribution and sale of timber / timber products in your country(3)
- Business federations / trade associations specifically involved in the processing and/or distribution and sale of timber / timber products in FLEGT partner countries (4)
- Other business federations / trade associations in your country (5)
- Other business federations / trade associations in FLEGT partner countries (6)
- Other – please specify (7)

If your country has any activities in this action area, please provide some details in the table attached to this questionnaire.

33 [Optional] Open space: Provide any other additional information or comments with regard to private sector initiatives and response in the space below.

FLEGT AP AREA #5: FINANCING AND INVESTMENT

If your country has any activities in this action area, so activities with banks and other financial institutions to encourage greater scrutiny in forest sector investments, please report in the table attached to this questionnaire.

34 [Optional] Open space: Please provide any other additional information or comments with regard to financing and investment practices, and/or changes in the level or destination of investment in the forestry and forest industry sector abroad in the space below.

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FLEGT AP AREA #6: SUPPORTING THE AP WITH EXISTING LEGISLATIVE INSTRUMENTS

35 If your government provided technical and/or financial assistance to timber producing countries to deal with forest-related money laundering, indicate what type of support was provided. Please tick or underline.

- In-kind/ Technical assistance (1)
- Financial assistance (2)
- Other, namely... (3)
- No (4)

Please provide details on the action(s) concerned in the table attached to the questionnaire.

37 Has your government carried out work to establish whether any of your domestic legislation on money laundering is applicable to forest sector crimes? Please tick or underline.

- Yes, proceed to question 38 (1)
- No, proceed to question 39 (2)

38 If so, what conclusions were drawn, and how have they been communicated to financial institutions and enforcement agencies? Please describe.

39 Has your government reviewed how other legislation (than EUTR, money laundering) might be used to tackle forest related crimes? Please tick or underline.

- Yes (1) (continue with question 40)
- No (2)

40 If yes, what conclusions were drawn from this review, and have any specific initiatives emerged as a result? Please describe.

If any activities emerged from this review to use other legislation to tackle forest related crimes, please briefly describe the action(s) concerned in the table attached to the questionnaire.

41 [Optional] Open space: Please provide any other additional information or comments with regard to legislative instruments in the space below.

FLEGT AP AREA #7: CONFLICT TIMBER

If your government has taken and/or supported any initiative in relation to conflict timber, including matters related to the rights to forests of local and indigenous communities, please briefly describe the action(s) concerned in the table attached to this questionnaire.

42 If your country has not undertaken activities in this action area, please explain why not.

43 [Optional] Open space: Please provide any other additional information or comments with regard to conflict timber in the space below.

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PART II - PERCEPTIONS ON ACHIEVEMENTS OF THE FLEGT ACTION PLAN 2003-2014, AND ACTORS AND FACTORS INFLUENCING THE IMPLEMENTATION AND ACHIEVEMENTS

44 In your perception, which action areas of the FLEGT Action Plan are achieving results (overall, so not only in your country)? Several boxes may be checked here. Please tick or underline.

- Area #1 – General support to timber producing countries (e.g. forest governance, timber legality assurance systems, transparency and participation, VPA negotiations) (1)
- Area #2 – Trade in timber (e.g. FLEGT licensed timber, EUTR) (2)
- Area #3 – Use of public procurement policies (3)
- Area #4 – Promotion of private sector initiatives (4)
- Area #5 – Due diligence in financing and investment (5)
- Area #6 – Use of anti-money laundering and other legislative instruments (6)
- Area #7 – Initiatives related to conflict timber (7)

45 Please explain why you have checked these specific action areas.

46 In your perception, which action areas of the FLEGT Action Plan are not achieving results (overall, so not only in your country)? Several boxes may be checked here. Please tick or underline.

- Area #1 – General support to timber producing countries (e.g. forest governance, timber legality assurance systems, transparency and participation, VPA negotiations) (1)
- Area #2 – Trade in timber (e.g. FLEGT licensed timber, EUTR) (2)
- Area #3 – Use of public procurement policies (3)
- Area #4 – Promotion of private sector initiatives (4)
- Area #5 – Due diligence in financing and investment (5)
- Area #6 – Use of anti-money laundering and other legislative instruments (6)
- Area #7 – Initiatives related to conflict timber (7)

47 Please explain why the checked action areas are not achieving results?

FLEGT AP AREA #1: SUPPORT TO TIMBER PRODUCING COUNTRIES

48 What are the observable direct achievements (expected and unexpected, positive and negative) of your support to timber producing countries under the FLEGT Action Plan including your support to VPA negotiations (i.e. those that can be clearly attributed to it)? Please specify per country you have supported.

FLEGT AP AREA #2: TRADE IN TIMBER

49 How has the EU Timber Regulation affected/influenced trade in timber (or will affect/influence) in your country or in the partner countries you supported? Do you see (or expect) any specific impact on VPAs (positive and /or negative)? Please explain.

FLEGT AP AREA #3: PUBLIC PROCUREMENT

50 If your government does have a procurement policy for timber/timber products in place, what have been the observable achievements of the policy (expected and unexpected, positive and/or negative)?

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FLEGT AP AREA #4:PRIVATE SECTOR INITIATIVES

51 What changes (positive and/or negative) in the policies and/or practices of the private sector in your country or in the partner countries you supported have taken place as a result of FLEGT AP? Please describe.

FLEGT AP AREA #5:FINANCING AND INVESTMENT

52 Is there any evidence that banks and other financial institutions in your country, including export credit agencies, have changed their policies and practices to encourage better forest governance and discourage illegal logging in producing countries? If so, please describe.

FLEGT AP AREA #6:EXISTING LEGISLATIVE INSTRUMENTS

53 What are the observable direct achievements (expected and unexpected, positive and/or negative) of your support to the FLEGT AP with legislative instruments? Please specify.

FLEGT AP AREA #7:CONFLICT TIMBER

54 What are the observable direct achievements (expected and unexpected, positive and/or negative) of your support to combat conflict timber? Please specify.

55 Have you seen any achievements of your government's contribution to FLEGT AP that have not been mentioned under the action areas yet? Please specify.

Implementation and coordination

56 In your perception, how advanced is the overall implementation of the FLEGT Action Plan (overall, so beyond your own country)? Please tick or underline.

- The AP is fully implemented and delivering good results (1)
- The AP is fully implemented but needs modification to deliver good results (2)
- The AP is partially implemented, but already delivering good results – keep it up (3)
- The AP is partially implemented and promises to deliver good results in the future –stick with it (4)

- The AP is partially implemented and needs modification to deliver good results (5)
- The AP implementation has not been satisfactory (6)
- The AP time has passed – a new policy is required (7)

57 In your perception, how effectively has the FLEGT AP been managed and coordinated (overall, so beyond your own country)? Please tick or underline.

- The AP is well-managed and coordinated (1)
- The AP is sufficiently managed and coordinated (2)
- The AP is moderately managed and coordinated and its management and coordination need some changes (3)
- The AP management and coordination has not been satisfactory, management and coordination need drastic change (4)

58 Please explain the main challenges –if any- in the implementation, management and coordination of FLEGT AP and how these could be overcome?

59 If you compare achievements with inputs/costs (in financial terms) over the years, how would you consider the relation between benefits and costs? Please tick or underline.

Annex 3 : Evaluation methodologies and instruments - EU MS Survey

- Highly positive (achievements high- costs low) (1)
- Reasonably positive (achievements sufficient- costs low) (2)
- Fair (achievements and costs in balance)(3)
- Poor (costs high- achievements low) (4)
- Very poor (costs very high –achievements low) (5)

Actors and factors influencing FLEGT AP

60 What have been the main actors and factors that influenced the implementation and achievements of the FLEGT AP and its seven action areas (positively and negatively)? Please describe per action area, if applicable.

61 How did/do the actions areas complement each other and create synergy, or how do they contradict each other? How could synergy be improved? Please explain.

62 FLEGT has been cited as a good example of policy coherence and of added value³ of collaboration between Member States and the Commission. Do you agree or disagree? Where do you see policy coherence and where is policy coherence missing? What added value do you see, and where is a lack of added value? Please describe briefly, with evidence.

PART III - FUTURE OF THE FLEGT ACTION PLAN

63 In the light of developments and trends in international forestry and land use since 2003, to what extent are –in your view- the objectives and actions of FLEGT AP still relevant, now and in the years to come? Please explain.

64 What would be your overall recommendations to improve the relevance, operation and results of the FLEGT AP into the medium-term future (2020)?

65 How could the design and implementation of the FLEGT AP be revised to improve future effectiveness?

66 How could the efficiency of the FLEGT AP be improved?

67 As far as policy coherence and added value of collaboration between Member States and the Commission are concerned: What could be done to improve coherence and added value? Please specify.

³ Added value refers to the additional benefits from collaboration between Member States and the Commission as opposed to benefits from Member States' individual activities.

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68 In what ways could the FLEGT AP or its instruments be used to tackle other issues in other sectors? Please specify.

69 Beyond 2015, does your government plan to maintain or develop actions in support of FLEGT AP. Multiple options can be selected. Please tick or underline.

- Area #1 – General support to timber producing countries (e.g. forest governance, timber legality assurance systems, transparency and participation, VPA negotiations) (1)
- Area #2 – Trade in timber (e.g. FLEGT timber, EUTR) (2)
- Area #3 – Use of public procurement policies (3)
- Area #4 – Promotion of private sector initiatives (4)
- Area #5 – Due diligence in financing and investment (5)
- Area #6 – Use of anti-money laundering and other legislative instruments (6)
- Area #7 – Initiatives related to conflict timber (7)
- Other namely....(8)
- No plan (9) (continue with question 71)

71 If your government does not plan any further support for FLEGT AP, please explain why not.

72 [Optional] Please provide additional information or make additional statements on any aspect of the FLEGT AP not covered by this questionnaire in the space below.

73 Would you like to provide any additional information or comments with regards to past FLEGT actions?

74 Would you like to provide any additional information or comments with regards to future FLEGT actions ?

-- END OF QUESTIONNAIRE --

-- THANKS AGAIN FOR YOUR EFFORTS AND INPUTS --

FLEGT Action Plan Evaluation 2003-2015

Survey for VPA partner country governments

Introduction

This survey is being carried out as part of the EU FLEGT Action Plan Evaluation that is taking place in 2015. It is aiming at governments in VPA countries to collect views from key respondents in relevant departments. This survey can be answered by more than one person, e.g. when various government departments are working together on EU FLEGT Action Plan/VPA.

The survey has been designed in order to better understand:

- who is involved in the EU FLEGT Action Plan/VPA process in the given VPA partner country;
- what actions are / have been conducted for EU FLEGT Action Plan/VPA, under what budgets (national, bilateral and/or multilateral support);
- what has worked well (achievements), what has worked less well (challenges) and through what mechanisms;
- how the process is contributing to the EU FLEGT Action Plan's main objectives and higher objectives [reduction of illegal logging, improvement of forest governance, poverty reduction]; what would be the scope and recommendations for future action.

Please note that the *number of the questions depends on answers you provide*, and therefore also the numbering of the question may seem illogical (missing numbers).

Please be aware that you can save the online survey as a draft and resume anytime (please make sure you copy the link you get when saving!). You are kindly requested to submit the on-line questionnaire before 22 June 2015.

If you encounter any obstacle filling in this survey, please contact Marlen Arkesteijn (<mailto:postbus@marlenark.demon.nl>) or Yann Petrucci (<mailto:y.petrucci@terea.net>).

Annex 3: Evaluation methodologies and instruments - VPA Survey

General Information

Fields marked with * are mandatory.

1 * Country on behalf of which this questionnaire is compiled:

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2 *Lead Respondent, FLEGT Focal Point (where available)

	Name(s), department, function and e-mail address of main respondent(s)
First and last names	
Department/Agency	
Function	
Year started working on FLEGT issues	
E-mail address	
Telephone	
Skype address	

3 Other key contributor (1) (Optional)

	Name(s), department, function and e-mail address of main respondent(s)
First and last names	
Department/Agency	
Function	
Year started working on FLEGT issues	
E-mail address	
Telephone	
Skype address	

4 Other key contributor (2) (Optional)

	Name(s), department, function and e-mail address of main respondent(s)
First and last names	
Department/Agency	
Function	
Year started working on FLEGT issues	
E-mail address	
Telephone	
Skype address	

Annex 3: Evaluation methodologies and instruments - VPA Survey

Who is involved in the EU FLEGT Action Plan/VPA process

5. Which department/ministry of your Government is currently leading/coordinating EU FLEGT Action Plan/VPA process? If functions are merged in one department/ministry, please tick multiple boxes or underline the answer(s):

- Forestry
- Agriculture
- Environment
- Customs
- Finance
- Development
- Other namely.....

6. Which other departments/ministries of your Government are currently involved in EU FLEGT Action Plan/VPA process? If functions are merged in one department/ministry, please tick multiple boxes or underline the answer(s):

- Forestry
- Agriculture
- Environment
- Customs
- Finance
- Development
- Other, namely.....

7. Besides the Government, what other international, national and local actors are involved in EU FLEGT Action Plan/VPA process? Tick or underline the answer(s):

- National private sector companies
- International private sector companies
- National NGOs
- International NGOs
- Other civil society organizations
- Indigenous people organizations
- Other, namely.....

8. What other stakeholders than the government and the EU are represented in the Joint Implementation Committee (more than one answer possible, underline or tick)?

- Civil society
- Private sector
- Research institutions/ think tanks
- None of these stakeholders
- Not applicable (JIC not established)
- Others, namely.....

9. What are the main reasons your country engaged in the VPA process? (up to 4 choices possible, tick or underline)

- To improve forest governance
- To improve access to the European market
- To develop the domestic timber market
- For sustainable management of the national forest resources

Annex 3: Evaluation methodologies and instruments - VPA Survey

- To establish a national “traceability system” (forest information and timber traceability and legality verification system)
- To ensure a broad national consultation and inclusive national consultation process on forest and timber legality issues
- To combat illegal logging and trade
- To increase government revenues
- To reduce poverty
- For economic development
- To reduce corruption
- Other reason, namely.....

Activities and budgets (national inputs, bilateral and/or multilateral support) assigned to EU FLEGT Action Plan/VPA.

15 Has your country received any external support (in-kind, technical or financial support) during the negotiation of the VPA (underline or tick)?

- Yes
- No

16 Please provide information about the budgets and the year of commitment

	Type of support (Technical assistance, Facilitation, projects...)	Donor	Year	Budget (in €)
-				
-				

17 Has your country received any external support (in-kind, technical or financial support) during the implementation of the VPA (underline or tick)?

- Yes
- No
- Not applicable (not entered the implementation phase)

18 Please provide information about the budgets and the year of commitment

	Type of support (Technical assistance, Facilitation, projects...)	Donor	Year	Budget (in €)
-				
-				

19 What other measures (besides VPA process for export to EU) are undertaken to combat illegal logging and related trade in your country (multiple answers possible, underline or tick)?

- Reforming the domestic market
- Development of a National Public Procurement Policy
- Support to private sector initiatives
- Support to financial institutions to change finance and investments
- Measures to deal with conflict timber
- Other measures, namely.....

Annex 3: Evaluation methodologies and instruments - VPA Survey

21 Has your government provided any direct technical or financial inputs to the VPA process and measures mentioned above? (tick or underline)

- Yes
- No

22 Please provide information about the budgets and the year of commitment

	Type of support (Technical assistance, Facilitation, projects...)	Year	Budget (in €)
-			
-			

23 If your country has a national public procurement policy, what are the main purposes (multiple answers possible, underline or tick)?

- Support the national timber sector
- Reduce the procurement management costs
- Establish transparent and equitable procurement rules
- Reduce purchasing prices
- Ensure sustainable sourcing procedures (legal, or legal and sustainable timber supplies)
- Other, namely.....

25 If the domestic market has been included in the VPA: How does it affect the VPA process? Please describe briefly.

Achievements and challenges

26 What are in your opinion the three main achievements/changes in your country to which the EU FLEGT Action Plan/VPA actions contributed? Please describe as explicit as possible what has changed, who, when, where and what caused the changes to happen?

Achievement/change 1

Achievement/change 2

Achievement/change 3

27 What are in your opinion the three main challenges in your country in the EU FLEGT Action Plan/VPA process to combat illegal logging and its related trade? Please describe as explicit as possible what these challenges are?

Challenge 1

Challenge 2

Challenge 3

Annex 3: Evaluation methodologies and instruments - VPA Survey

28 Besides the main achievements/changes as reported in question 26: In which other areas has the EU FLEGT Action Plan/VPA process contributed to outcomes and impact, positive or negative (multiple answers possible, underline or tick)?

- Establishment of a national traceability system
- Changes in the domestic market
- Changes in the collection of government revenues
- Changes in livelihood and poverty
- Changes in access to other markets
- Changes in economic development
- Changes in forest conditions
- Changes in forest governance (including stakeholder engagement and illegal logging)(please **specify in question 31**)
- Changes in access to European market
- Changes in corruption
- Other (please specify).....

30 Please explain briefly why you have checked these specific areas?

31 On forest governance (if ticked in question 28, please elaborate here) (multiple answers possible, underline or tick)

- Changes in accountability and transparency
- Changes in institutional effectiveness and efficiency
- Changes in stakeholder involvement in forest governance
- Changes in law enforcement and compliance
- Changes in tenure (land and tree) and access to forest resources
- Changes in illegal logging
- Other namely..

33 Has the volume of exports to the EU changed since March 2013? (underline or tick)

- Yes
- No

34 Please explain to what extent the EUTR has influenced the trade/ not influenced the trade.

35 What evidence for traceability and legality are EU importers currently obtaining to comply with the EU Timber Regulation (EUTR) including official government documents, CITES permits, or private certificates?

36 Has your Department received requests from EUTR Competent Authorities to validate any such evidences? If yes, please provide details (dates, EU member State)

37 To what extent can the small producers of your country easily provide such evidences ?

Achievements and challenges of the TLAS

38 For each component of the VPA TLAS, please indicate the level of implementation (tick or mark)

Annex 3: Evaluation methodologies and instruments - VPA Survey

	Not started	In process	Completed
Definition of legality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Grid of legality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Traceability system	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Compliance verification system	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Independent auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
FLEGT license issuance system	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Definition of scope (products...)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

39 What do you think has worked well and facilitated the development of the TLAS components?

40 What are the main challenges that have affected the development of the TLAS components?

41 Are there any factors that, in your opinion, delay or undermine the implementation of the traceability system? (tick or underline, more answers possible)

- Complexity of developing and implementing fully operational systems before launching them
- National sovereignty concerns over confidentiality of information
- Limited institutional capacity to operate the systems
- Unclear property rights and maintenance agreement on the software
- Insufficient adoption by the forest and timber companies
- No factors
- Concerns over data integrity and security
- Other, namely.....

43 When do you think the first FLEGT license will be issued in your country?

44 Initially, in what year did you expect to issue the first FLEGT licences? What factors contributed to meeting/ not meeting the initial date?

Futures actions

45 In the light of the developments over the last 10 years, to what extent are the EU FLEGT Action Plan/VPA objectives and actions still relevant for your country, now and in the years to come? Please describe.

46 What would be your overall recommendations to improve the relevance and effectiveness of the EU FLEGT Action Plan/VPA process into the medium-term future (2020)? Please describe.

47 How do you think the process towards an operational VPA (negotiation and implementation) could be improved? (tick or underline, more answers possible)

- More financial support
- More technical support
- More time

Annex 3: Evaluation methodologies and instruments - VPA Survey

- More EU technical guidelines
- Simplifying the process
- Inclusion of the domestic market
- Inclusion of other elements in the scope (products, export destinations, types of companies, regions)
- Incorporation of technological systems
- Capacity building in the Government to operate the systems
- Other (please specify).....

49 Which of the following outcomes and impacts of the VPA do you think can be sustained/maintained over time without further donor support? (tick or underline, more answers possible)

- Development of the domestic market
- Changes in economic development
- Access to European market
- Access to other markets
- Changes in stakeholder engagement
- Changes in tenure and access
- Changes in livelihood and poverty reduction
- Changes in accountability and transparency
- Changes in law enforcement and compliance
- Reduction of illegal logging
- Changes in institutional effectiveness
- Changes in forest conditions
- Other (please specify).....

51 Please provide any additional information or any additional statements on any EU FLEGT Action Plan/VPA related issue not covered in the questionnaire in the space below.

-- END OF QUESTIONNAIRE --

-- THANKS AGAIN FOR YOUR EFFORTS AND INPUTS --

Annex 3: Evaluation methodologies and instruments - Public Survey

EU FLEGT Action Plan Evaluation Public survey

This open stakeholder survey is part of the EU FLEGT Action Plan Evaluation that takes place in 2015. For the evaluation a diverse range of producing countries (both VPA and non-VPA countries), member states, and consumer countries will be visited and consulted.

Through this open survey the evaluation team aims to solicit a wide range of views and opinions of stakeholders (who are possibly not directly approached). The survey has been designed to gather information on your involvement, perceptions on achievements, and recommendations for the future.

You are kindly invited to fill in the survey. If there are any issues you would like to raise that are not covered in the survey, please feel free to send an e-mail to y.petrucci@terea.net or postbus@marlenark.demon.nl, or contribute to the forum (see <http://www.flegt-evaluation.org/> or <http://forum.flegt-evaluation.org/>).

The survey is anonymous. Every now and then results of the Open Survey will be published on the [EU FLEGT Action Plan Evaluation website](#).

Thank you for your time and effort!

The EU FLEGT Action Plan Evaluation Team
Yann Petrucci
Marlen Arkesteijn

1. Who are you / Who do you represent?

- Forest or processing company in producer country
- Forest or processing company in the EU
- International NGO
- National NGO
- Other civil society organisation
- Indigenous person or peoples' organisation
- Independent consultant or consulting firm
- Government
- Research institute
- Think tank
- Other (please specify)

Annex 3: Evaluation methodologies and instruments - Public Survey

2. Where are you active (multiple answers possible)?

- Countries negotiating a Voluntary Partnership Agreement (VPA)
- Countries implementing a VPA
- Tropical timber producing countries not involved in VPAs
- Other producing countries
- EU consumer countries
- Non EU consumer countries

Please specify the countries

3. How would you rate your level of awareness of the EU FLEGT Action Plan?

- Very aware
- Somewhat aware
- Not very aware

Annex 3: Evaluation methodologies and instruments - Public Survey

4. Have you been involved in the EU FLEGT Action Plan implementation in any of the actions described below (multiple answers possible)?

- Yes, in producer country law enforcement
- Yes in policy reform
- Yes, in community based forest management
- Yes, in transparency and information process
- Yes, in independent monitoring
- Yes, in civil society capacity building
- Yes, in private sector capacity building
- Yes, in support to small scale producers
- Yes, in monitoring and tracking system
- Yes, in EUTR implementation
- Yes, in VPA negotiation
- Yes, in VPA - definition of legality
- Yes, in VPA - grid of legality elaboration
- Yes, in VPA - wood tracking system
- Yes, in VPA - independent auditor
- Yes, in VPA - FLEGT licensing scheme
- Yes, in public procurement policies
- Yes, in private sector initiative (such as certification or code of conduct)
- Yes, on money laundering
- Yes, with CITES
- Yes, on conflict timber
- Yes, on legal instruments
- No

Other, please

specify

Annex 3: Evaluation methodologies and instruments - Public Survey

5. If you have been involved in a VPA process, please specify in which phase (multiple answers possible).

- VPA pre-negotiation/informing
- VPA negotiation
- VPA implementation
- Outside the VPA process
- Other, please specify

6. How would you rate the following characteristics of the EU FLEGT Action Plan?

	Very good	Good	Satisfactory	Poor	Very poor
Design <i>The external and internal logic of EU FLEGT Action Plan strategies and actions and their inter-relation.</i>	<input type="checkbox"/>				
Relevance <i>The extent to which the objectives of the development intervention are consistent with beneficiaries' requirements, country needs, global priorities and partners' and donor's policies.</i>	<input type="checkbox"/>				
Synergies <i>The extent to which the seven EU FLEGT Action Plan action areas reinforce each other.</i>	<input type="checkbox"/>				
Effectiveness, level of achievements <i>The extent to which the development intervention's objectives were achieved, or are expected to be achieved, taking into account their relative importance.</i>	<input type="checkbox"/>				
Impact on illegal logging and related trade <i>Positive and negative, primary and secondary long-term effects produced by a development intervention, directly or indirectly, intended or</i>	<input type="checkbox"/>				

Annex 3: Evaluation methodologies and instruments - Public Survey

unintended.

Annex 3: Evaluation methodologies and instruments - Public Survey

Very good Good Satisfactory Poor Very poor

Complementarity with other EU or multilateral actions

Coherence/complementarity within the European Union's development programme, with partner country's policies, with other donors' interventions and with other European Union policies.

<input type="checkbox"/>				
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Comments

7. What do you consider the three most important achievements/ changes the EU FLEGT Action Plan contributed to? Please briefly describe.

1st achievement/change	<input type="text"/>
2nd achievement/change	<input type="text"/>
3rd achievement/change	<input type="text"/>

8. What do you consider the three biggest challenges for the EU FLEGT Action Plan? Please briefly describe.

1st challenge	<input type="text"/>
2nd challenge	<input type="text"/>
3rd challenge	<input type="text"/>

Annex 3: Evaluation methodologies and instruments - VPA Survey

9. What would you like to see in future EU FLEGT Action Plan actions (multiple answers possible)?

- Simplify the process
- Provide guidelines to reach the objectives
- Prioritize and focus on specific objectives
- Expand VPAs to more partner countries
- Focus on demand side measures
- Focus on current partner countries
- Link with other processes such as REDD+ and private certifications
- Move away from illegal logging
- Start addressing deforestation and sustainability issues

Other, please

specify

10. What do you consider to be the 5 most important future outcomes of FLEGT?

- Reduced deforestation
- Reduced international trade of illegal timber
- Improved forest governance
- Poverty alleviation
- Reduced illegal logging
- Reduced corruption
- Improved legal framework
- Reduced domestic consumption of illegal timber in producer countries
- Stricter enforcement of laws
- Improved market access
- Improved reputation
- Improved timber public procurement
- No more illegal timber coming into the EU
- EUTR implementation

Other, please

specify

Evaluation of the EU Action Plan on Forest Law Enforcement Governance and Trade (FLEGT) 2003-2014

TOOLS FOR THE FIELD

**Final version
19 May 2015**

Marlèn Arkesteijn

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1. Introduction

This guide is intended to help you, as a team member of the FLEGT AP evaluation team, to collect and analyse the data needed for the evaluation during both the desk- and the field phase. What follows are guidelines (and not blueprints) to ensure you know what is expected from you, but without describing in details each and every step you need to take. Use the guidelines and above all use your intelligence combined with pragmatism.

These notes provide guidance on the use of five different tools: three tools that will be used during the desk phase: stakeholder mapping, timeline and intervention theory for the country to be visited. And three tools to be used during the field phase: Outcome and impact harvesting, Impact Assessment and Interview Topic lists.

Then there are of course the surveys: the Member State survey, the VPA country survey and the Open survey. PDF-versions of the online surveys can be found in the annex of this guide for easy reference (see also chapter 3).

Note: Please realise these are guidelines. If it is not possible to follow the processes as indicated in these guidelines, use your common sense and do what is possible. E.g. if in some countries it may not be possible to have a multi-stakeholder meeting due to animosities between the groups, use several mono-stakeholder workshops (very short ones). If it is not possible to have a beginning and end workshop (due to time schedules and/or stakeholders needing to travel from afar), choose to have one of them, and preferably an end workshop in which you can share and verify your findings.

We do not intend people to travel from other places/cities to the workshop place. If you visit several places, do workshops per place visited.

2. Approach

As you have read in the Technical Proposal and the Inception Report, we follow a “realist approach”. Realist approaches assume that interventions may work differently in different situations and for different people, and that context makes a difference to outcomes and impact. In our view, donors, policy makers and implementers involved in the FLEGT AP need to understand how and why their policies and actions work, or do not work, for what groups of people in what contexts so that they are better equipped to make decisions about which policies, parts of policies or actions to improve, to use and how to adapt them to local contexts. This is precisely what a realist evaluation approach entails.

A realist approach has the following implications:

-We assume FLEGT AP has different effects on different stakeholders, what works for one group, may not work for another group of stakeholders: When looking for outcomes and impact, we will try to decipher whose outcomes and whose impact, who benefits, and who does not.

- We will try to understand why something worked/ did not work for a certain group of stakeholders: the so-called mechanisms (internalised, cultural and cognitive patterns that influence whether people change behaviour or not) and actors and factors (these last two are referring to the context).

-We assume policies, and as such, the FLEGT Action Plan, are theory incarnates: whenever a policy or action is implemented, a theory is being tested about what might cause the

change, even when a theory is not explicit. Therefore, one of the first tasks of the evaluation is to make the 'intervention theories' more explicit.

-We look for both the 'facts/evidence' and the different perspectives of stakeholders. This implies that, besides searching for 'hard quantitative data', we explicitly take the perspectives of different groups of stakeholders into account, at the level of the EU and its Member States as well as in the producer (VPA and non-VPA) and other consumer countries. So one of the main tasks for the evaluation is to learn more about '*what FLEGT AP actions work or do not work for whom, in which context, and what mechanisms are triggered by what interventions in what contexts*', and based on this '*how could FLEGT actions be improved if needed?*'

Remember: In this evaluation '**outcomes**' are defined as *changes in behaviour, practices and policies of people, communities and organisations (state and non-state actors)*, and can be seen as mid-term achievements. They can be intended, or unintended/unexpected, positive and negative. With **FLEGT Impact** we refer to *changes in supply, trade and demand of illegal timber and timber products* (achievements in view of the specific objectives of the FLEGT AP), while with **further socio-economic impact** we refer to *long-term changes in the higher goals of FLEGT AP, which include improved forest governance and enhanced livelihoods of people*.

3. Processes and types of engagement

Next to the surveys (through which we engage different groups of stakeholders), we will pay field visits and/or have teleconferences with different groups of stakeholders from four types of countries:

1. VPA and FLEGT partner countries
2. Member States
3. Non VPA/non-FLEGT producer countries
4. Consumer countries

Besides we will have interviews, either face to face, or through teleconferences/ Skype, with international stakeholders like international NGOs, private sector actors, international research and think tank institutions, and the EC and multilaterals.

For the Non-VPA/Non FLEGT countries and the consumer countries, we will hold a short kick-off meeting with the EU Delegation and **whenever possible** other stakeholders (presenting the evaluation and what we come here for, present who we think we need to interview (stakeholder map)), do interviews (based on the interview topic lists, and the Intervention Theory) (see 5.VI), and a short restitution workshop during which we report our main findings.

Overview type of country/actors and tools

Members states	VPA/ FLEGT countries	Non-VPA/ non FLEGT producer countries	Consumer countries
Gov. Survey (all countries)	Gov. Survey (all countries)		
Country visits (selected countries) -Multi Stakeholder workshop outcome-impact harvesting -Interviews	Country visits (selected countries) -Multi Stakeholder workshop outcome-impact harvesting -Interviews	Country visits (selected) -Kick-off -Interviews -Restitution	Country visit (selected) -Kick-off -Interviews -Restitution

-Restitution workshop	-Restitution workshop		
		<i>Teleconferences</i> -Interviews	<i>Teleconferences</i> -Interviews
EC + multilaterals	International NGOs	International PSOs	International research
Survey (EC) Interviews	Interviews	Interviews	Interviews
<i>Web-based consultation mechanism</i> <i>FLEGT week</i> <i>Chatham House meeting</i>			

Please whenever you visit a Member State and/or a FLEGT/VPA country, inquire with the responsible government staff whether they have any questions about the survey, and encourage them to finalise the survey before 22 May 2015. Encourage non-state stakeholders also to fill in the Open survey that can be found on-line on our website <http://www.flegt-evaluation.org/>.

For all the MS and VPA/FLEGT countries we visit we develop beforehand a timeline, a stakeholder map, and an Intervention Theory that will guide us during the fieldwork. The stakeholder map and the timeline will be checked in the field. The Intervention Theory is our “visual map” that guides us internally during workshops and interviews), and shows answers to EQ 3,5,6,7. But if you feel confident, please feel free to share it with others whenever deemed helpful.

We have very limited time for our visits to MS so we need to be extremely well prepared, intelligent and pragmatic. If there is no time for a kick off, please try to check the stakeholder map and the timeline during the interviews. If there is time (as there will be in at least some countries), please do hold a kick-off to check the stakeholder map, the timeline (see chapter 4 for detailed guidelines) and to harvest the first outcomes and impacts (see chapter 5 for detailed guidelines on Outcome and Impacts harvesting).

	VPA/ FLEGT country	MS
Prior to field visit	Government Survey	Government Survey
Prior to field visit	Stakeholder map Timeline Intervention Theory (with outcomes and impacts)	Stakeholder map Timeline Intervention Theory (with outcomes and impacts)
Field visit	a. Kick-off with various different stakeholders -Check timeline -Check stakeholder map -Outcome-impact harvesting b. Interviews c. Restitution with findings per EQ incl. outcomes-impact	If possible, otherwise only small kick off, or small restitution: a. Kick off with various different stakeholders -Check timeline -Check stakeholder map -Outcome-impact harvesting b. Interviews c. Restitution with findings per EQ incl. outcomes-impact

4. Analyses to be made before going to the field and to be validated while there

I. Stakeholder Analysis

Purpose

To identify all stakeholders and determine which one **must** be engaged during the field phase. Related evaluation question: General, basic information on who to engage.

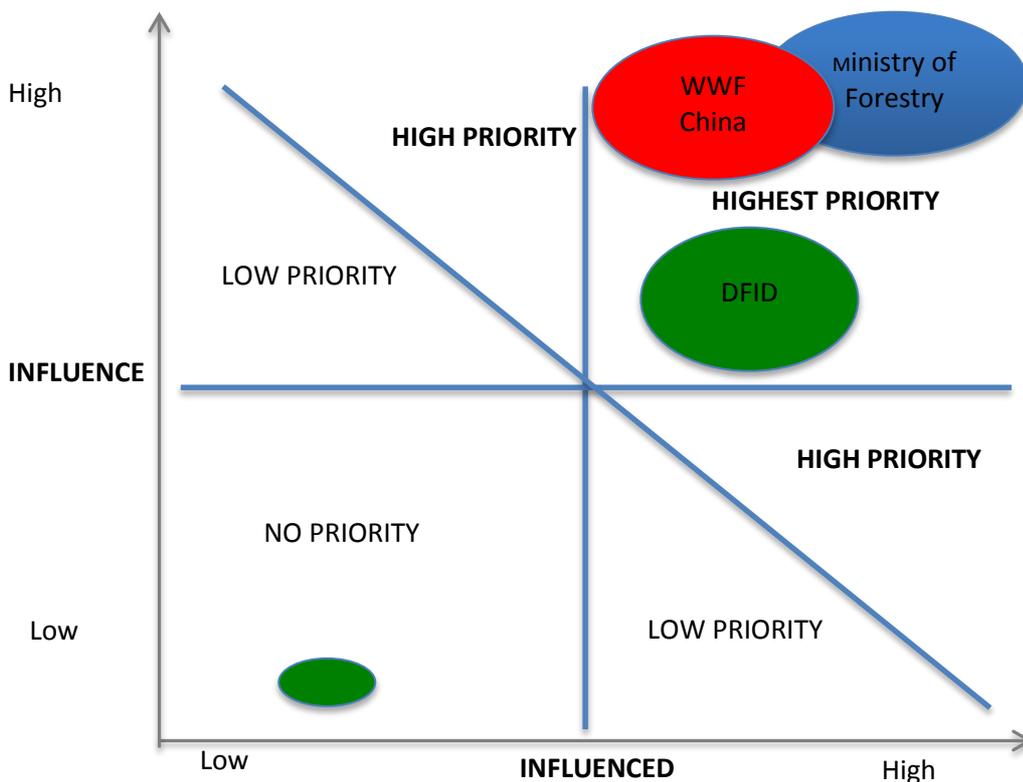
Tool

Stakeholder Maps

Process

Before going to the field:

During the **desk phase** you have come across many different groups and names of stakeholders and stakeholder organisations. In the inception phase, we have determined already the main groups of stakeholders: Government and their (local) departments, private sector (timber producers, processors and traders, financial institutions), civil society (NGOs, CBOs), research institutions, and service providers. Since our time in the field is limited, we need to determine who must be engaged in the field phase and who could be left out. To help us determine who is in and who is out, we make use of a very simple matrix with two axes: Who has the power to influence FLEGT AP activities and achievements, and who is influenced by FLEGT AP activities and achievements.



Try to determine, based on the information you have, which stakeholders need to be engaged in the evaluation. Place those stakeholder individuals/groups in the matrix where you think they belong. If the documents you are reviewing do not give sufficient clues for doing this, try to work this out with resource persons who have sufficient knowledge on the country and do it based on his/her information and again check in the field. Based on your

matrix, stakeholders with high and highest priority will be approached for workshops and/or interviews.

Any other representation/tool that represents who needs to be engaged is fine as long as you can explain why you have included certain stakeholders and excluded others.

In the field

Ideally, you would check this map/matrix during the kick-off workshop with those stakeholders you have selected already. Ask the stakeholders present whether there are other HIGH and HIGHEST priority stakeholders who need to be engaged. If this is too sensitive to do during the kick-off, just show who you want to engage and check the matrix during interviews.

Remember

Make sure your stakeholder map is balanced and shows stakeholders from all stakeholder groups.

Timing

When you check the map in the field during the kick-off workshop, only check whether very important influencers or influenced are left out. Do not spend more than 10 minutes on this and avoid getting into an endless discussion.

II. FLEGT History / Timeline

Purpose

To get a quick overview of the key events in the history of FLEGT AP implementation in a particular country (both MS and VPA/FLEGT). Related evaluation questions: General, basic info.

Tool

Timeline

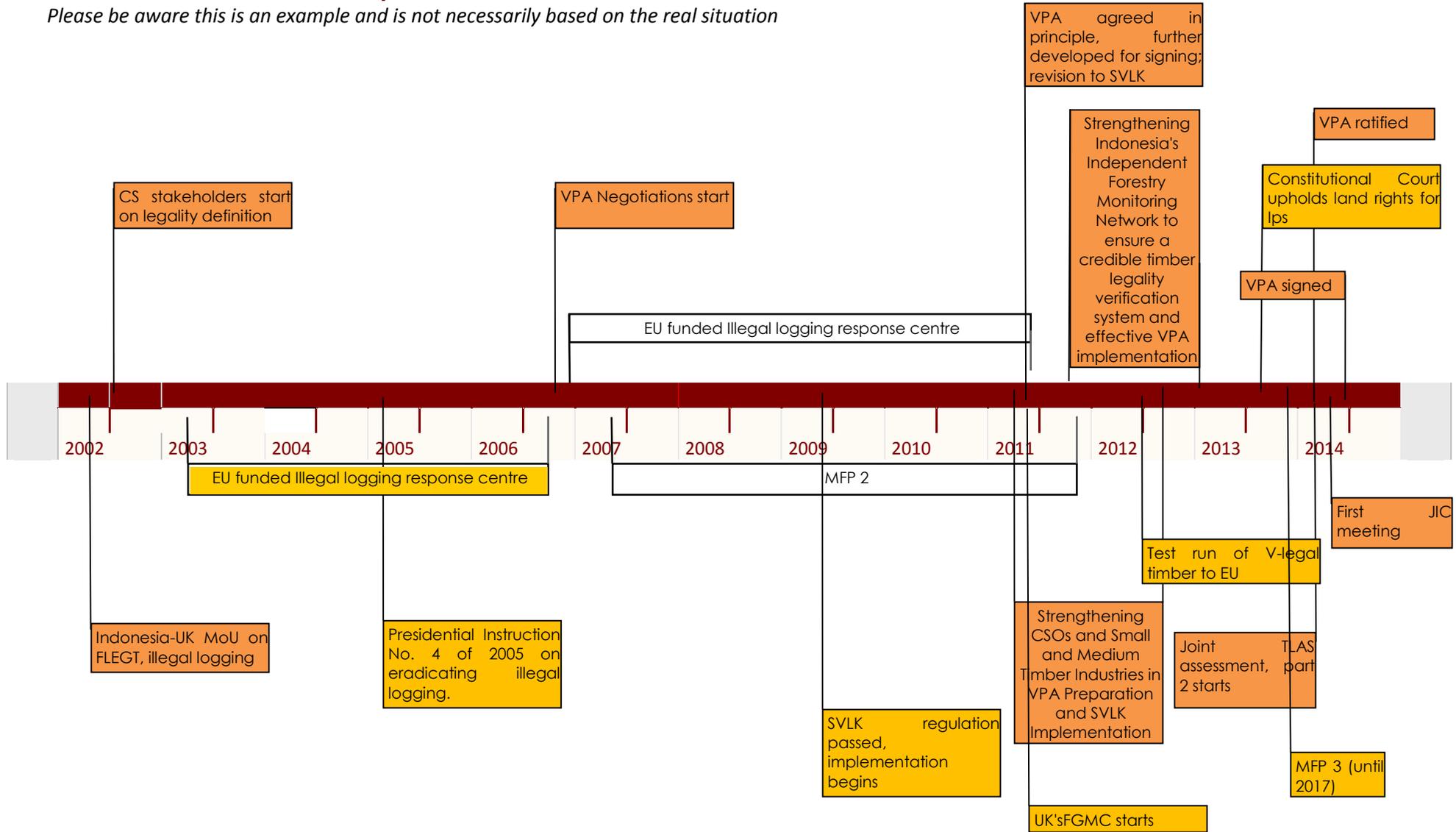
Process

Before going to the field:

During the **desk phase** you have gone through documentation and likely came across various documents on progress. It is helpful if main milestones could be shown in a timeline like the start of the information phase of a country/ VPA country, start of the formal negotiation phase, the ratification process, start of the preparation of implementation, data of VPA operational etc. Or in case of MS, start of active participation in one of the FLEGT related committees, like the FLEGT AdHoc group, start of support to producer countries, development and implementation of the national public procurement policy to contribute to FLEGT objectives etc. The next page shows an example of Indonesia (see Google Drive format timeline 4.1 Methods/Evaluation approaches).

Fictional example: Indonesia

Please be aware this is an example and is not necessarily based on the real situation



LEGENDA
FLEGT-related event
Information
Event
Continuous event (below the line). Change colour
Continuous event (above the line). Change colour

Timeline Instructions:

- Try to include months and date where possible
- For events for which only the year is available, please respect some sort of chronological order (i.e. please don't put 'VPA signature' and 'VPA ratification' on the same position in the timeline, even though they both happened in e.g. 2011)
- Please try to use the upper part of the sheet for the international context/action, and the lower part for in-country VPA events. Please consider at the end whether the timeline is not too dense on one side. The table can be moved upward or downward, if needed
- To move a text box, click the box and drag it to the new location.
- To move a connector line, click the line and drag the yellow diamond to the new location.
- Please try to include as many VPA generic steps as possible (see list in the following page)
- Please conform to the standard abbreviations (to be provided)

Main generic steps in VPA process: [to be confirmed/adapted]

- ✓ Formal interest in VPA expressed by [Partner Country]
- ✓ VPA negotiations started
- ✓ VPA signed
- ✓ VPA ratified by EU
- ✓ VPA ratified by [Partner Country]
- TLAS components' development processes (optional / do not all apply to the Indonesian, company-based auditing system model):*
- ✓ TLAS: Legality definition development
- ✓ TLAS: Traceability system development
- ✓ TLAS: Compliance verification system development
- ✓ TLAS: FLEGT issuance system development
- ✓ TLAS: appointment Independent Auditor
- ✓ JIC meeting # [no.]
- ✓ Joint TLAS assessment
- ✓ VPA declared operational
- ✓ First FLEGT License issued

In the field:

Ideally you should check and complete this timeline during the kick-off workshop. Show the timeline and get participants to confirm whether it is correct, complete (contains the major events), and representative of the main actions of all stakeholder groups (e.g. not only events of the government). If you do not have time or opportunity for a kick-off, check the timeline during interviews.

Remember

The art here is to be not too detailed while representing major milestones in the process.

Timing

When checking the timeline in the field in the workshop, explain what you are showing and ask whether important milestones are correct, inclusive and representative of main events. Have a short discussion on the timeline and add events when deemed relevant and necessary. Do not use more than 20-30 minutes, depending on how big the group is and how many different stakeholders are present.

III. Intervention Theory

Purpose

Building a visual aid to help understand the objectives and logic of actions, their underlying assumptions and to determine what works and what did not work, and why. Related evaluation question: EQ 1,2, 3,5,6 and 7.

Process

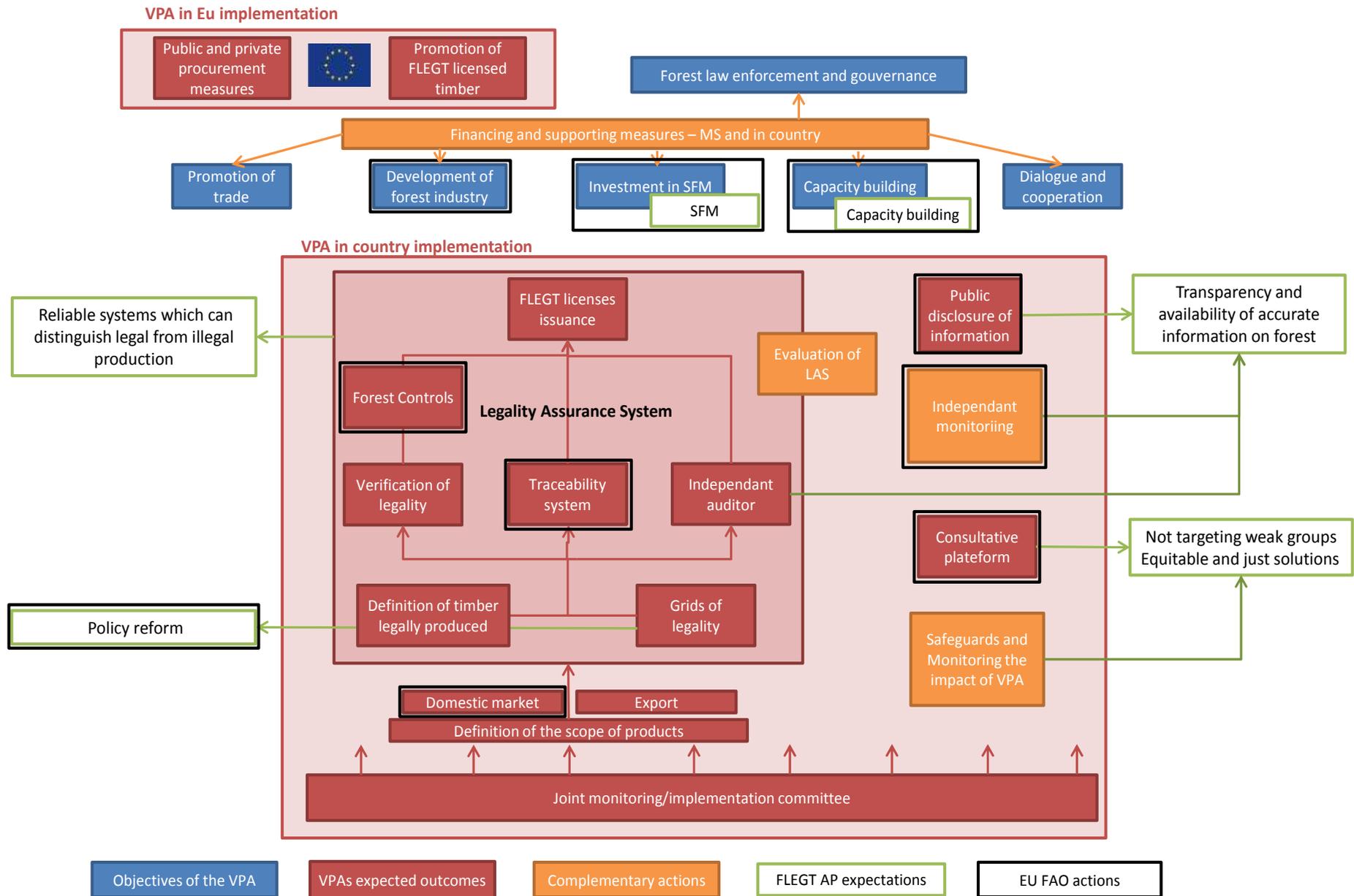
Before going to the field

During the **desk phase** you will have gone through documentation and likely came across a lot of information on actions, their objectives, assumptions etc. Putting these into a Visual Intervention Theory usually helps to understand the logic and assumptions of the interventions, and to keep a clear overview. When building this intervention theory and after reading documentation you will also be able to get first indications what is working and what is not working. So with the Intervention Theory you are building a framework for testing what worked and what did not.

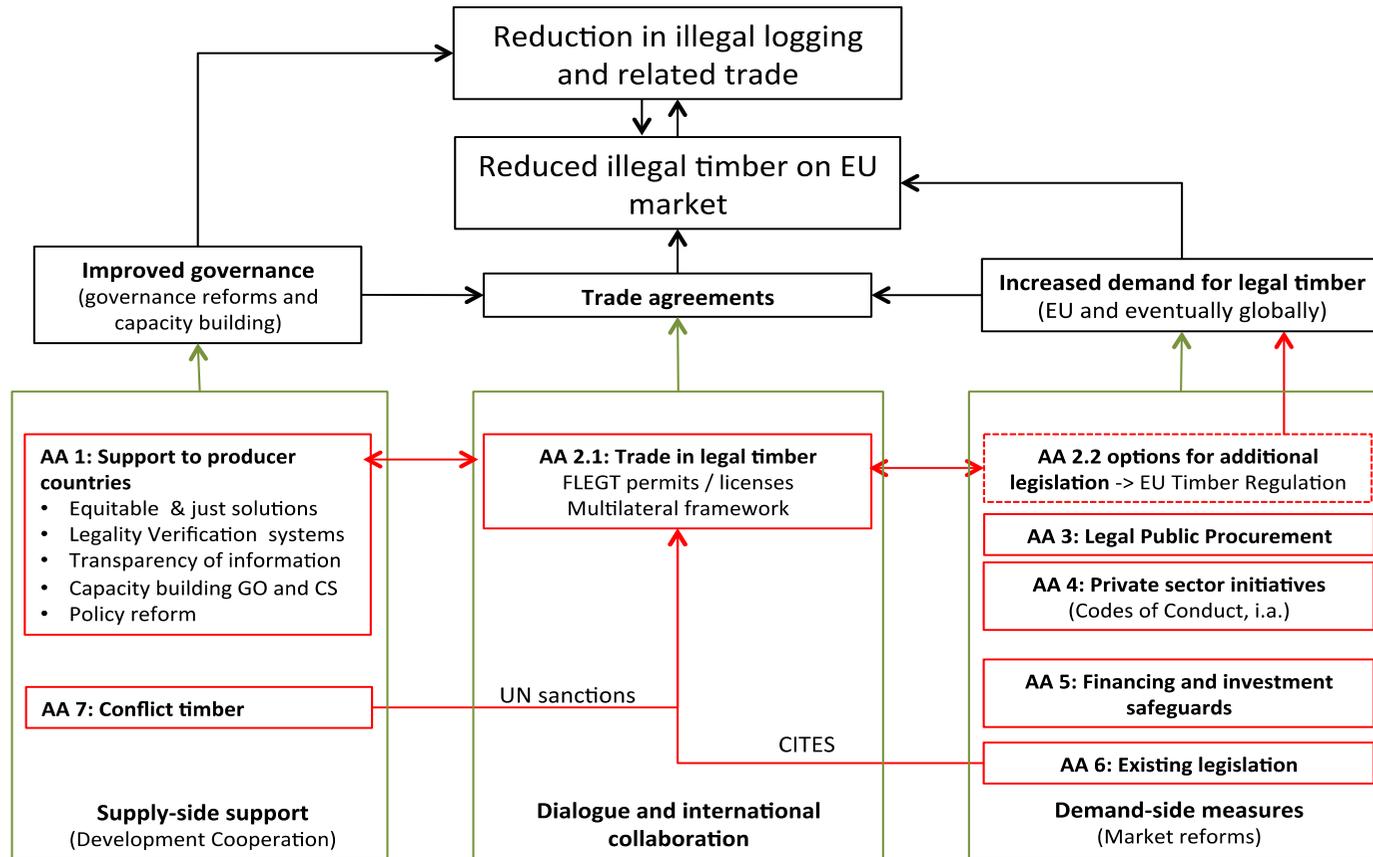
A general Intervention Theory for VPA countries can be found on the next page. Use this Intervention Theory as point of departure for the preparation of your VPA country visit and change whatever, whenever is needed, based on the things you read and the things you hear and see in the country. Try to find out what was supposed to work and worked and /or did not work, and represent what worked in green arrows and what did not work in red arrows. A next step would be to start finding out what mechanisms, actors and factors made it happen and/or prevented it from happening (the Intervention Theory of VPA countries can be found on our GD under 4.1 Methods/Evaluation Approaches).

When visiting a Member State country, you can refer to the general Intervention Theory, and use the Theory during your sessions and interviews. This general Intervention Theory can also be found on our Google Drive at the same location (see also page 12).

Intervention Theory VPA countries



Intervention Theory



It is not easy to make an Intervention Theory but there are some points of departure: When there are any assumptions stated in the documentation, add them as straight-line arrows. If you find any evidence that the assumption worked, colour the arrow green, if you find evidence it did not work, colour the arrow red. If you are not sure or cannot find any evidence, make the arrow blue. For unintended results, please use dotted lines.

In the field

After you have made the Intervention Theory based on documentation, you can test it in the field. Testing the visual in a workshop will be likely confusing for most participants, so keep the Theory for yourself but build on it while asking questions, interviewing and doing research. During interviews it could help you asking the right questions as well, e.g. regarding just and equitable solutions: You can check whether the respondent can confirm that SME has benefitted equally from the support or are missing out.

Remember

The art here again is to be neither too detailed nor too simplistic while representing main actions, outcomes and impacts and their interlinkages. It will help us to get an overview of what worked and what did not. And it will facilitate the discussions and interviews on what mechanisms, actors and factors made it work, made it not work later on.

5. Tools for the field

I. Harvesting of main changes the EU FLEGT Action Plan contributed to

In the earlier version of Tools for the Field, we used the term achievements. However, for some groups of stakeholders there are no achievements. Think of communities that lose access to trees, or small millers that are affected since they no longer have access to trees or timber. For them achievements is a strange word. They are affected. And therefore we change our vocabulary to the more neutral word MAIN CHANGES instead of main achievements.

Purpose

To harvest different perspectives on expected and unexpected changes (positive and negative) and their underlying mechanisms, actors and factors. Related evaluation questions: EQ 3, 5,6 and 7. So you gather changes at action areas level, main objectives, unexpected outcomes/impact, and higher goals of EU FLEGT Action Plan.

This tool provides information on what stakeholders perceive as the main changes EU FLEGT AP contributed to. It is a broad and general harvesting tool. During interviews you go into depth re changes and other topics.

Process

Simplified outcome harvesting based on Wilson-Grau R. and H. Britt (2013) *Outcome Harvesting*. Ford Foundation, MENA office.

This method has three sources of information: The documentation (desk phase), the multi-stakeholder workshops and the interviews (field phase). For reflection and verification of the achievements there is at the end of your country visit a Reflection/restitution workshop (whenever feasible). Sometimes it will not be possible to have a kick-off workshop, so then ***you need to gather achievements during the interviews.***

Desk-phase: During the desk phase, you will have very likely come across many different changes already, and have noted them down in the matrix on Google drive and/or in the Intervention Theory.

Kick off workshop: During the kick-off workshops (multi-stakeholder workshop), a broad range of (additional) changes will be harvested and the mechanisms, actors and factors that contributed to the changes. This will give us a very quick and wide overview of what people perceive as changes –partly- caused by the FLEGT AP. During interviews we will zoom in on the changes and gather more in-depth information evidence etc.

Interviews: During interviews additional changes will be harvested, and changes found during desk phase and the kick-off workshops will be checked with the participants during interviews. The interviews also serve to gather in-depth information on the mechanisms, actors and factors, and naturally whenever possible, evidence.

Reflection workshop: During this end/restitution workshop you verify the harvested changes with people involved.

Guidelines for harvesting changes during a workshop

Step 1 Start with explaining what you are going to do: Harvesting changes –partly- caused by the FLEGT AP (including VPA processes). It is at this stage not relevant whether the changes are outcomes and/or impact. Please make sure everybody understands that changes can be positive, negative, expected and unexpected.

Step 2: Stakeholders are requested to formulate changes they have observed. Each stakeholder is requested to write down the –in his or her eyes- two most significant changes the EU FLEGT AP contributed to, each change on a separate sheet (see above). Give them around 15 minutes to fill in the two sheets. Encourage them to be as specific as possible

Name..... Organisation/ company/ unit...
 Change:(name the change)
1. Description: WHO/what changed, when, and where? What is the observable change? Why is this change important?
2. Mechanisms, actors and factors: What mechanisms, actors and factors contributed to the change?
3. How did FLEGT AP contribute to this change?

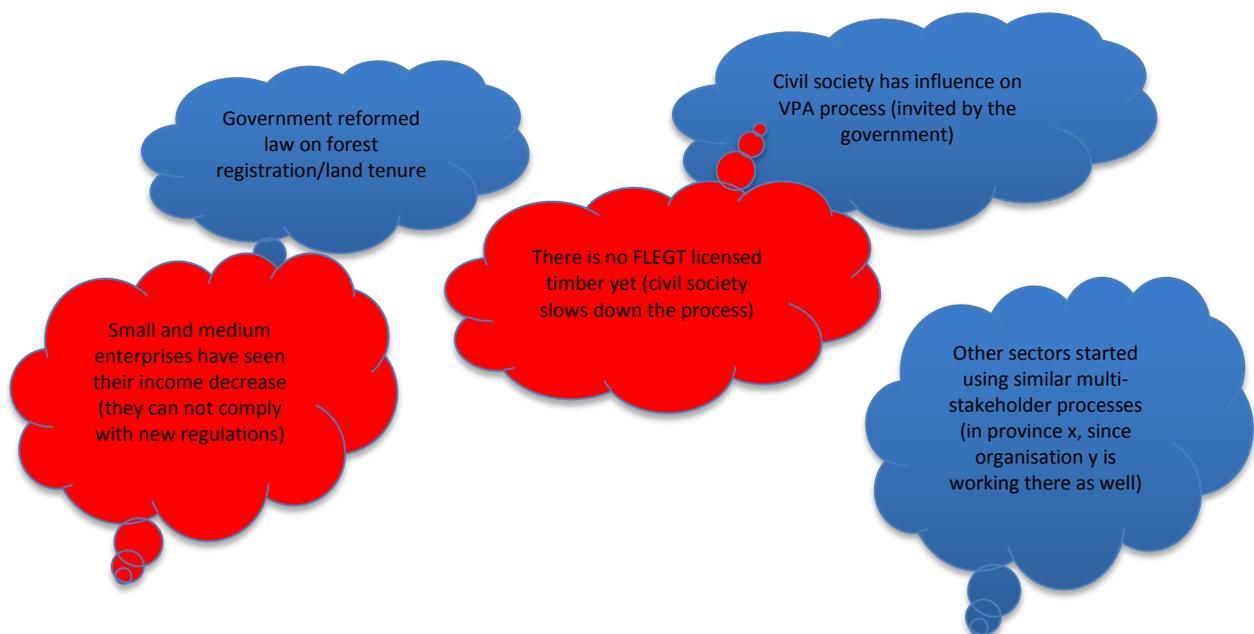
with their contribution (so who, what, when, where changed?), and pay specific attention to WHO changed. Tell them you will collect the forms at the end of the workshop. Sheets can be found in Annex 0 of this guide and on our Google Drive 4.1 Methods/Evaluation Approaches.

Step 3: Let the stakeholders share the changes they have written down. Ask the first participant to share the first change. You as facilitator write it on a flip chart/ or on a sticky note and paste it on a flip chart. Ask what made the change happen (mechanisms, FLEGT AP, etc.). Ask them to be as specific as possible. Then invite others to share those changes that are very similar to the one expressed by the first person and add the additions to the flip

chart. In this way you are clustering the changes. When there are no more similar changes, continue with a new cluster and repeat the same procedure. Continue until all have shared their changes (depending on size of group, but count for 5 minutes/person).

Step 4: Discussion (max 30 min): When all changes have been clustered, discuss the clusters: Are these the main clusters indeed? Or is something very important missing? Asking for evidence: Where can evidence for these changes be found, with whom do we need to talk to harvest more evidence and understanding?

When time allows: Discuss per change the mechanisms, actors and factors that influenced the change.



Fictive example of results of clustering changes (step 3)

Do not forget to collect the forms! And tell the participants you will get back to these outcomes during the interviews, and during the restitution workshop at the end.

The interviews

After the workshop, interviews will be held to gather in-depth information on the changes (and to address many other topics on other Evaluation Questions, see Topic lists Interviews, chapter V). During these interviews you return to the changes harvested (also those found in desk phase) and discuss: 1) evidence, where to find it; 2) mechanisms, actors and factors and 3) the role of FLEGT AP especially, all into more depth. ***If there was, for whatever reasons no workshop, you need to do the change harvesting –using the forms- at the very beginning of the interview and during the interview get in-depth information.***

The reflection and verification workshop

At the end of your field visit, all the main changes will be presented (both those found in documents and as brought forward by the stakeholders (perspectives and evidence). Discuss whether participants recognise the changes you present. Without doubt some people will come up with argumentation why the changes are in their perspective not correct, and/or why the changes are correct in their view. Please remember it is in many

cases about differing perspectives. It gives you information about who agrees and who does not agree with the changes mentioned.

An example of differing perspectives on changes -partly- caused by FLEGT AP could be the involvement of different stakeholders within the VPA process. For some people this could really be a great change, while for others this may be seen as the cause of the delay of FLEGT licensed timber.

Where possible, discuss those changes where opinions differ. This reflection part should not take more than 1 hour. Please be aware you have other topics to share with participants as well during the restitution workshop.

Remember

Again, this is no easy method, and sometimes sensitive. However, it gives us the opportunity to harvest changes and their mechanisms etc. and to get the differing perspectives of stakeholders on changes.

Output

With these changes and their mechanisms, actors and factors, you can contribute to answering evaluation questions 3,5,6 and 7, and further shape the intervention theory of the country to show what works and what does not.

II. Impact assessment

Purpose

To assess the impact of EU FLEGT Action Plan on Forests, Market and Livelihoods, and Governance issues for evaluation question EQ7: To what extent has the FLEGT Action Plan contributed to its higher objectives in partner countries?

Process

This is an assessment. However, it would be good to do this assessment in the field so you can verify your findings in the reflection workshop as well.

Now that you have harvested most of the changes during the workshop and interviews, please try to assess to what extent higher objectives have been attained. For this purpose we use the simple version of the indicator framework for VPA impact monitoring (see next page). The overall framework can be found in annex I to inspire you. Go through all the changes mentioned (in documents, workshops and interviews) and tag them –if relevant and applicable- under one of the 10 impact areas. To what extent do the changes say anything about these 10 impact areas? Where ever feasible, describe the changes in the column you think they belong in a few key words. We will start doing this analysis just in a qualitative way. Later on in the synthesis phase, we may start adding assessments for comparing countries (e.g. using red colour for negative changes, green for positive changes).

You may find that few changes fit the 10 indicators, or that only some of the columns are filled in. During the reflection workshop, please discuss these findings and discuss why no changes were found in the other indicators.

Table for analysis of achievements

Leading question for filling in this table: To what extent has the EU FLEGT AP/ VPA affected the mentioned impact area?

Forests, markets and livelihoods				Governance						Other
Forest conditions	Economic development	Domestic market development	Livelihood and poverty	Effectiveness of stakeholders involvement	Accountability & transparency	Institutional effectiveness & efficiency	Legal reform incl tenure and access	Law enforcement & compliance	Illegal logging	
-SFM -	-Value and volume timber production -Volume of timber for export -Market price -Contribution sector to GDP	-Volume of legal timber for domestic market -Volume of legal timber in government financed contracts (PPP)	-Evidence of implementation of corporate social responsibility safeguards (SRAs etc) -Changes in livelihoods of forest dependent people	-Stakeholder capacities -Stakeholders involvement -Sustained engagement -Effective involvement (did it lead to anything/added value)	-Complaint mechanism -Access to information -Monitoring mechanisms - Communication	-Performance of all institutions involved -Clarity of roles -Coordination	-Revised and harmonized legislative framework -Ownership and access to land, trees clear and documented	-Changes in forest offences -Transparent and consistent application legal definition	-Changes in illegal logging (practices)	

III. Topic lists for interviews

Purpose

To gather information on relevant evaluation questions, per type of country.

What to do

For the interviews we use the interview topic lists for face-to-face interviews with respectively VPA/FLEGT countries, Member States countries, and teleconferences with other consumer countries and non-FLEGT producer countries.

Please remind to bring the Intervention Theory (for MS and VPA/FLEGT countries) as well to the interviews. Next to the topic lists, these Intervention Theories guide us as well in our interviews.

Timing

Interviews should not take more than 1.5 hour.

Generic topic list VPA-FLEGT countries (all stakeholders)

Please check with government person if questionnaire has been filled/ any questions on questionnaire.

General

- To what extent are you familiar with FLEGT AP and the action areas?
- When did negotiations start for VPA?
- What were the reasons your country/you wanted to embark on the VPA process? Whose reasons? Still valid?

Effectiveness & impact

[During interviews please take the harvested outcomes from the kick off and add more info and evidence (see tools for the field). If you have not done the outcome harvesting during the kick off: Ask actors to fill in the form on the spot and discuss after filing in.] Then proceed with the rest of topic list.

- Intended results of the action areas and FLEGT AP as a whole?
- Unintended results of the action areas and FLEGT AP?
- Non-outcomes of FLEGT AP
- What mechanisms and actors and factors facilitated and/or hindered these achievements and non-achievements?
- Counterfactuals: What if there had been no FLEGT AP?

- Achievements and mechanisms/ actors/factors per action areas:
 - Support received from whom?
 - VPA process
 - TLAS etc.
 - FLEGT licensed timber
 - Effect of EUTR on timber trade here?
 - Public procurement and domestic market
 - Private initiatives, from whom do you get support?
 - Banking and investment
 - Legislative instruments
 - Conflict timber
- What made things work/not work: What mechanisms and actors and factors facilitated and/or hindered these achievements and non-achievements?

- How do the various action areas enforce each other?
- What other efforts in your country to combat illegal logging and related trade?
- How can FLEGT AP be made more effective in the future?

Relevance

- Goals and objectives of FLEGT AP: Then and now
- Was illegal logging and related trade a problem in xxxx (when negotiations started) And in 2015?
- Relevance of the 7 action areas for achieving goals and objectives:
What are the drivers of illegal logging and related trade; and to what extent do the Action Areas address the drivers, then and now?
 - What else is needed?

Management and coordination

- How was and is FLEGT AP managed and coordinated?
- What works fine?
- What shortcomings and gaps?
- How can management and coordination be improved?

Cost effectiveness

- To what extent has FLEGT AP been cost effective?
- In comparison with other programmes?
- How can cost effectiveness be improved?

Sustainability

- How likely are FLEGT mechanisms, systems and positive impacts to be sustained?
- How can sustainability be improved?

Coherence and added value

- How and to what extent have FLEGT measures duplicated/ complemented and added value to other EC, MS or other donor policies, strategies and programmes?

Generic topic list MS visits

Please check with government person if questionnaire has been filled/ any questions on questionnaire.

If you have not done the outcome harvesting during the kick off: Ask actors to fill in the form on the spot and discuss after filing in. Then proceed with the topic list.

General

- To what extent are you familiar with FLEGT AP and the action areas?
- To what extent involved in all action areas? Why/ why not (reasons)?

Relevance

- Goals and objectives of FLEGT AP: Then and now

Was illegal logging and related trade a global problem in 2003? And in 2015?

- Relevance of the 7 action areas for achieving goals and objectives:

What are the drivers of illegal logging and related trade; and to what extent do the Action Areas address the drivers, then and now?

- What else is needed?

Efforts to combat illegal logging

- What is your country doing to combat illegal logging and related trade, and consumption?

-Support to producer countries (to which; what; period; investment; target group)

-Trade (% of timber imports covered by VPA countries; 5 main supplier countries; export of timber to China; % of illegal timber produced in-country). Is need for VPA timber priority and why? If not, why not?

-EUTR implementation (Competent Authority; supporting legislation; approach to implementation; total # of companies (operators, traders); % verified 2013/2014; resulting CARs; prosecution cases; punishment levels (max in €, max in prison). Is need for more effective implementation priority? If not, why not?

-Public procurement and domestic market (own PPP; own assessment system; at which levels obligatory; effective monitoring; plans; interest for EPP)

-Private initiatives(which; function how; from whom support);

-Banking and investment (which; function how)

-Legislative instruments (which; function how)

- Other initiatives (which; function how)

- In case there are none (or few), why?
- Main stakeholders involved (which; how; funded by whom)?

Effectiveness & impact

[During interviews please take the harvested outcomes from the kick off and add more info and evidence (see tools for the field)].

- Intended results of the action areas you supported and FLEGT AP as a whole?
- Unintended results of the action areas you supported and FLEGT AP?
- Non-outcomes of FLEGT AP
- Effect of EUTR on timber trade in your country?

• What mechanisms and actors and factors facilitated and/or hindered these achievements and non-achievements?

- Counterfactuals: What if there had been no FLEGT AP?

- How effective are these instruments?

- Are these compared to FLEGT initiatives more or less effective? Possible reason?

Effectiveness FLEGT AP overall

- Vision on effectiveness FLEGT AP?
- How can FLEGT AP be made more effective in the future?

Cost effectiveness

- To what extent are your initiatives cost effective?
- In comparison with FLEGT AP?
- Concrete examples of most and least cost effective FLEGT AP actions?
- To what extent is overall FLEGT AP cost effective? • In comparison with other programmes?
- How can cost effectiveness of FLEGT AP be improved?

Sustainability

- How likely are your mechanisms, systems and positive impacts to be sustained?
- Compared to FLEGT AP?
- How can sustainability of FLEGT AP be improved?

Coherence and added value

- How and to what extent have FLEGT measures duplicated/ complemented and added value to other policies, strategies and programmes?
- How does it relate to your own initiatives?
- How can coherence be improved?

Topic list Teleconferences consumers (and visit China)

Prior to interview we need to know what trade trends are to this country, and what instruments they use in general.

General

- To what extent are you familiar with FLEGT AP and the action areas?
- To what extent involved?

Relevance

- Goals and objectives of FLEGT AP: Then and now. Was illegal logging and related trade a global problem in 2003? And in 2015?
- Relevance of the 7 action areas for achieving goals and objectives: What are the drivers of illegal logging and related trade; and to what extent do the Action Areas address the drivers, then and now?
- What else is needed?

Efforts to combat illegal logging

- What is your country doing to combat illegal logging and related trade, and consumption?
 - Public procurement and domestic market
 - Private initiatives, from whom support?
 - Banking and investment
 - Legislative instruments
 - Other initiatives
- In case there are none (or few), why?

Effectiveness & impact of your own instruments

- How effective are these instruments?
- Are these compared to FLEGT initiatives more or less effective? Possible reason?

Effectiveness FLEGT AP

- Vision on effectiveness FLEGT AP?
- How can FLEGT AP be made more effective in the future?
- Effect of EUTR on timber trade in your country?

Cost effectiveness

- To what extent are your initiatives cost effective?
- In comparison with FLEGT AP?
- To what extent is FLEGT AP cost effective?
- In comparison with other programmes?
- How can cost effectiveness of FLEGT AP be improved?

Sustainability

- How likely are your mechanisms, systems and positive impacts to be sustained?
- Compared to FLEGT AP?
- How can sustainability of FLEGT AP be improved?

Coherence and added value

- How and to what extent have FLEGT measures duplicated/ complemented and added value to other policies, strategies and programmes?
- How does it relate to your own initiatives?
- How can coherence be improved?

Topic list Teleconferences producers

Prior to interview we need to know what trade trends are to this country, and what instruments they use in general.

General

- To what extent are you familiar with FLEGT AP and the action areas?

Relevance

- Goals and objectives of FLEGT AP: Then and now

Was illegal logging and related trade a problem in 2003? And in 2015?

- Relevance of the 7 action areas for achieving goals and objectives:

What are the drivers of illegal logging and related trade; and to what extent do the Action Areas address the drivers, then and now?

- What else is needed?

Efforts to combat illegal logging

- What is your country doing to combat illegal logging and related trade, and consumption? And since when?

- Support to sector stakeholders? What and how does it work?

- Trade initiatives directed at increasing legal and/or sustainable timber export? How do they work?

-Public procurement and domestic market

-Private initiatives, from whom support?

-Banking and investment

-Legislative instruments

-Conflict timber

-Other initiatives

- In case there are none (or few), why?

Effectiveness of your own instruments

- How effective are these instruments?

- Are these compared to FLEGT initiatives more or less effective? Possible reason?

Effectiveness & impact of FLEGT AP

- Vision on effectiveness FLEGT AP?

- How can FLEGT AP be made more effective in the future?

- Effect of EUTR on timber trade in your country?

Cost effectiveness

- To what extent are your initiatives cost effective?

- In comparison with FLEGT AP?

- To what extent is FLEGT AP cost effective?

- In comparison with other programmes?

- How can cost effectiveness of FLEGT AP be improved?

Sustainability

- How likely are your mechanisms, systems and positive impacts to be sustained?

- Compared to FLEGT AP?

- How can sustainability of FLEGT AP be improved?

Coherence and added value

- How and to what extent have FLEGT measures duplicated/ complemented and added value to other policies, strategies and programmes?

- How does it relate to your own initiatives?

- How can coherence be improved?

Annex 0 Harvesting changes the EU FLEGT Action Plan contributed to

Name (optional)	
Email (optional)	
Country	
Type of stakeholder (government, private sector, civil society, research institution, ect)	

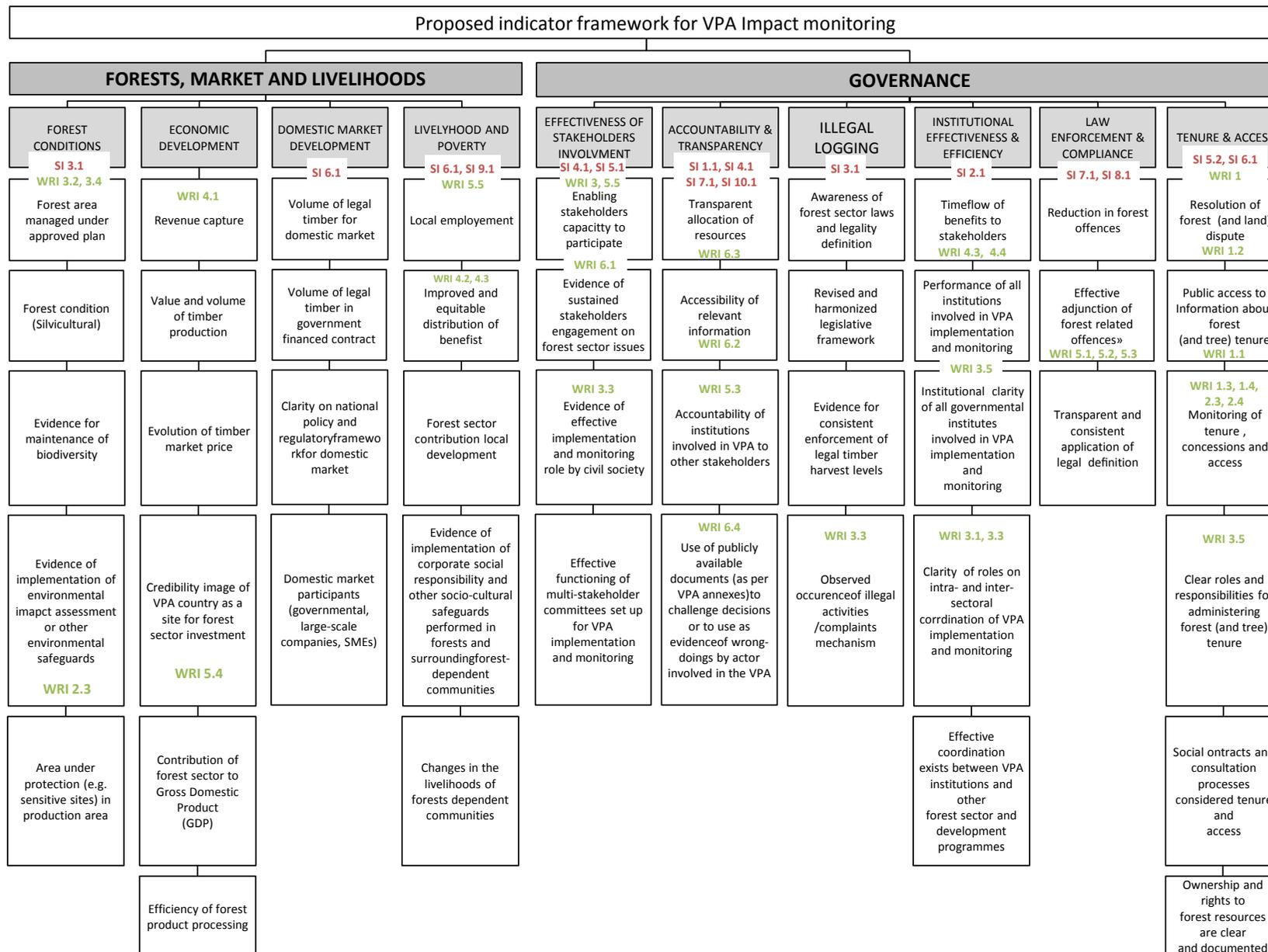
Change (name):

1. **Description: WHO/what changed, when, and where? What is the observable change? Why is this change important?**

2. **Mechanisms, actors and factors: What mechanisms, actors and factors contributed to the change?**

3. **Contribution: How did FLEGT AP contribute to this change?**

Annex I Indicator Framework VPA impact assessment (to be used as inspiration only)



Annex 4 Results of the written consultations

- 1) Main conclusions of written consultations**
- 2) EU Member States' survey**
- 3) VPA countries' survey**
- 4) Open public consultation**
- 5) Trader's survey**

Annex 4: Results of the surveys

Main conclusions of the written consultations

Main conclusions of EU Member States' survey

Responses & completeness

Twenty-three of the 28 EU Member States returned a filled-in questionnaire, and 13 returned the appendix with the table with activities and budgets. Financial data from the appendix is incomplete and should therefore be seen as indicative.

Part I INVOLVEMENT OF MEMBER STATES

Level of involvement: Naturally all Member States governments are involved in the EU FLEGT Action Plan. The *active* involvement of the EU Member States governments in the EU FLEGT Action Plan shows however great variations in terms of a) their participation in FLEGT governing bodies, b) the numbers and types of Action Areas they are involved in, c) the funds they invest in the Plan, and d) their focus on legality versus sustainability. The division of the level of active involvement seems to run along responding EU MS that have considerable imports of tropical timber (FR, IT, NL, UK, BE and DE) and/or are involved in development cooperation (FI, DK) versus those that have limited imports of tropical timber and/or are less or not active in development cooperation. The countries from the latter category are less actively involved.

The diverse picture of involvement raises the question whether it is an Action Plan that is genuinely a full-fledged EU initiative, or an Action Plan of some of the (mainly North-western) EU MS.

Involvement of non-state actors (non-governmental and private actors): Six responding Member States report the involvement of non-state actors in the FLEGT AP in their country, while the other 17 do not. Valuable lessons can be learned from the six EU MS that report the involvement of non-state actors in their country, e.g. their involvement is said to have benefited the implementation and enforcement of the EUTR through their campaigning and lobbying efforts.

Budgets: Detailed figures on EU and EU MS investments in FLEGT related action areas and activities have been hard to obtain due to the difficulty to quantify FLEGT related actions in financial terms and, possibly, a lack of information on investments made in FLEGT related action areas and activities by EU MS themselves. All figures mentioned in the EU MS survey (that includes EU figures as well) should be seen as indicative: Between 2003 and 2014 the EU MS survey data report an *indicative amount* of more than €650 million spent on Action Area 1 'Support to producing countries' (around 80% of the total reported budgets). One third of this amount has been dedicated specifically to Africa, one-sixth to Asia.

The level of export to the EU, being a VPA or not, nor the level of illegal wood based products and trade correlate with the level of support countries receive.

Action Areas where progress is limited: Involvement in Action Area 5 Finance and Investment and Action Area 7 Conflict Timber has been very limited.

PART II - PERCEPTIONS ON ACHIEVEMENTS

Conclusions on Action Areas: Action Areas 1 Support to producing countries, 2 Trade in timber and 3 Use of Public Procurement Policies are mentioned by the majority of responding EU MS as achieving results (resp. 19, 21 and 13 Member States). The responding EU MS find especially Action Area 2 Trade in timber to be achieving results. The number of EU MS that answered the question on what action areas do not achieve results is rather limited (n=8). Those that answered this question indicate

Annex 4 - Results of the written consultations

Main conclusions of the written consultations

that Action Area 6 Existing legislative instruments and 7 Conflict Timber are those perceived as achieving less results.

Under **Action Area 1 Support to producing countries** the main achievements mentioned include the **stakeholder engagement process (4 respondents)**, the start of a **policy dialogue to improve forest governance (4)**, the development of a **TLAS (4)** and two mentioned improved **transparency**. Non-achievements include 'No TLAS/no FLEGT licenses' yet.

Achievements mentioned under **Area 2 Trade in timber** mainly refer to the EUTR, like **increased collaboration within the EU on implementation of the EUTR**, and the fact that the EUTR is being implemented in almost all countries, which is in itself quite an achievement for a number of EU MS. Others state that it is too early to assess results, that the EUTR still needs reinforcement, and that it has not yet had an impact on trade patterns.

Area 3 Use of Public Procurement Policies (PPPs): Two EU MS state that PPPs have created awareness and changes in the timber industry, both in producer and in consumer countries.

Area 4 Private sector initiatives: Nine EU MS indicate this is an area that produces results. Three of them see changes in certification practices within the industry and two see increased awareness and norms. One EU MS sees improved collaboration between the private sector in consuming and producer countries. One EU MS states that the private sector will not be really interested in embarking on private sector initiatives if there are no clear financial incentives.

Area 5 Finance and investment: Six EU MS indicate they see achievements in this area. They see a growing awareness to build in safeguards into investments, and see some financial institutions moving towards codes of governance and CSR. One EU MS claims that FLEGT Action Plan is not the appropriate instrument to work on this area.

Area 6 Use of Anti-money Laundering and other existing legislative instruments: Only two EU MS see achievements in this area while five do not. Reference here is made to the inability to apply domestic jurisdiction to crimes committed abroad.

Area 7 Conflict timber: EU MS do not see any achievements in this area. Some EU MS refer to the complexity of the issue, while others think it goes beyond their own competences and should be dealt with by the UN or the EU.

Conclusions on implementation and coordination: Although the answers are not all consistent, the answers indicate that the majority of the respondents seem satisfied with the level of implementation and the results of the Action Plan. The same is partly true for the management and the coordination, although quite some recommendations for improvements have been made.

Actors and factors influencing implementation and achievements of the EU FLEGT AP

General factors and actors: Factors and actors that were mentioned to **negatively influence** the EU FLEGT AP included the complexity of the Action Plan, the fact that FLEGT licenses do not always comply with EU MS PPP, and the low economic value of forest compared to the value of e.g. palm oil production.

Main positive factors and actors mentioned include the use of legally binding instruments (like the EUTR and FLEGT regulation) to get long lasting engagements; the stakeholder engagement and the pressure of NGOs; and the flexibility of the Action Plan.

PART III - FUTURE OF THE FLEGT ACTION PLAN

When comparing the current and future involvement per EU MS, almost all EU MS indicate they will either reduce or maintain the same level of involvement in the future.

Annex 4 - Results of the written consultations

Main conclusions of the written consultations

All **EU Member State** respondents believe that the objectives and actions of the FLEGT Action Plan are still highly relevant. Many EU MS frame this in terms of contributing to *improved forest governance to fight deforestation*, and to *sustainable forest management* rather than just *reducing illegal logging and/or trade*. The responses also refer to an ever-increasing pressure on forests since 2003 and particularly to new threats like the conversion of forests to agriculture and to the emergence of new markets like China and India. A question raised by one EU MS is whether these require a separate new action plan or can be accommodated by the existing FLEGT Action Plan.

Recommendations of the respondents for the future

The first strong signal given by respondents (10) is that the focus should be on finalising on-going actions first and on keeping the areas which are perceived as most effective: Ensure a full implementation of the EUTR (5) and make sure first FLEGT licenses enter the market (5), and continue with the initial objective of FLEGT –Forest Governance (2). Two EU MS explicitly state that no major revisions are needed at all.

Supply side measures: Recommendations given for supply side measures are very diverse and individual measures are in general not mentioned by more than one EU MS, except for ‘more focus on Sustainable Forest Management’ (2).

Demand side measures: Besides the need for better implementation of the EUTR and various issues mentioned only once, three EU MS suggest developing collaboration between Competent Authorities, the Commission and other stakeholders.

To gain relevance, three EU MS suggest linking FLEGT to agricultural deforestation / conversion / ecological footprint tools, and other drivers of deforestation like wood energy/charcoal. Five EU MS suggest using FLEGT as a tool for other policy areas like REDD+, biodiversity and climate change.

To operate more effectively two EU MS suggest to better ally with other consumer countries like Japan, China, Korea, the USA and Australia, besides single mentioned suggestions like ‘to make FLEGT an integral part of all EU actions focusing on international forest policies’ and ‘to get overviews of actions carried out to ensure a better coordination of activities’.

To operate more efficiently and to make better use of resources, one EU MS states that ‘FLEGT has been implemented very efficiently already, though further improvements could be made: At present the model relies heavily on coordinating bilateral programmes, which are resource intensive and result in piecemeal coverage’. Also the suggestion is given to develop a multi donor trust fund to reduce the costs and to pool resources (as the UK currently does with France, EU and Norway), and to encourage multilateral initiatives especially with development banks to support (developing) partner countries.

Annex 4 - Results of the written consultations

Main conclusions of the written consultations

Main conclusions of VPA countries' survey

Responses & completeness

Eleven VPA countries returned the questionnaire: All six implementing VPA countries (Ghana, Indonesia, Liberia, Cameroon, Central African Republic and the Republic of Congo) and five of the nine negotiating VPA countries (Cote d'Ivoire, Honduras, Malaysia, Vietnam and Thailand). With the exception of the questionnaire of one country, the questionnaires were answered rather completely.

Conclusion on involvement

The VPA processes in the countries are led by forest departments, sometimes in combination with other departments. In most countries a broader range of other government departments are involved as well. Non-state actors are involved in all VPA countries, and representatives of both the private sector as well as civil society are seated, whenever one has been established, in the Joint Implementation Committee. Main reasons mentioned to engage in a VPA process include 'to improve access to the EU market (10 respondents)', 'to improve forest governance (9)', 'to combat illegal logging and trade (8)' and 'for the sustainable management of the national forest resources (8)'.

Conclusions on activities and budgets

Budgets reported (received by both the EU MS and/or the EU) do not match figures available to the evaluators. This suggests that VPA countries may not know in full and/or do not wish to report what support they receive. The same is true for their own investments in VPA related activities.

Besides embarking on a VPA, countries report deploying other measures to combat illegal logging and trade, including reforming the domestic market (8 respondents), national public procurement policies (6), support to private sector initiatives (5), measures to deal with conflict timber (4) certification (3) and the revision of policies and legislation (4).

Although the inclusion of the domestic market is taken up in most VPAs, this is not evident for all VPA countries (e.g. Vietnam). The implementing VPA countries that did include the domestic market, report on the complexity of the inclusion of their domestic markets: In many countries both the domestic and export markets are heavily intertwined.

Conclusions on achievements and challenges

General: The involvement of stakeholders in the VPA process is seen as one of the main achievements by all responding VPA countries. The challenges mentioned are very diverse. TLAS development is mentioned as both an achievement and a challenge. Other achievements mentioned include improved forest governance. Economic achievements such as increased revenues, livelihood and poverty reduction and economic development are hardly mentioned.

EUTR: For most countries the impact of the EUTR is perceived as fairly low. One country states that the EUTR drastically reduced the number of exporters, while others imply that suppliers are still trying to understand what is really needed in terms of evidence. The types of documents mentioned that serve as evidence for the EUTR is long and diverse, suggesting that there is still confusion about what is needed to comply with the EUTR. Nevertheless, respondents indicate that controls of evidence hardly take place.

TLAS: The development of TLAS is mentioned as both an achievement and as challenging by countries. One of the main challenges mentioned with regard to the TLAS, is the complexity of the

Annex 4 - Results of the written consultations

Main conclusions of the written consultations

system itself, and then especially the complexity of the traceability system. As one respondent writes: *The TLAS demanded by the EU is too stringent.* Most countries face long delays and do not provide any deadline for FLEGT issuance.

Conclusions of future actions

FLEGT objectives are perceived to remain relevant, not only since illegal production and trade persist and FLEGT strengthens national efforts in this regard, but also in view of the role of forests in fighting climate change. But VPA partners feel that actions and approaches to achieve FLEGT objectives should be reviewed in order better to match FLEGT ambitions with realities on the ground. This seems to point to FLEGT communication challenges as well.

There is a perceived need for greater recognition that VPA implementation requires, among others, strong institutions, human and financial resources, as well as capacities to implement and enforce the relevant laws and legislation included in the TLAS. *'... which are lacking in most tropical countries'*. Respondents also stress that actions should not be standardised, but tailored to the specific economic and social needs, conditions and legislation in each country; particular reference is made to wood tracking systems. As one respondent phrases it: *'we need to strike a balance between ambitions and realities on the ground. Implementation by phases is one way forward.'*

Annex: 4 - Results of the written consultations

Main conclusions of the written consultations

Main conclusions of the open public consultation

Responses & completeness

A total of 88 respondents completed the 10-questions online questionnaire of the open public consultation, of whom 63 filled out the English questionnaire, 25 the French one and none the Spanish questionnaire. Around 60% of the respondents were NGO/CSO staff, 6% government staff, 2% private sector, 13% consultants and more than 15% others.

General conclusion

There was a higher response from NGO/INGO staff and English-speaking actors. It seems the NGOs have a stronger connection to the EU FLEGT Action Plan, and were possibly better informed and more willing to respond than the private sector, universities and government staff.

Conclusion on overall opinion of the EU FLEGT Action Plan

The EU FLEGT Action Plan is still valued and supported by the respondents: 46% of the respondents rate the Action Plan as very good/good, while 21% rate it as poor/very poor. Another 33% rate the Plan as satisfactory. Characteristics that are rated best include 'relevance', 'design' and 'impact on forest governance'.

Conclusion on the understanding and awareness of the EU FLEGT Action Plan

From the answers it can be concluded that there is confusion about the EU FLEGT Action Plan, and specifically the difference between the VPA, the FLEGT Action Plan, FLEGT licenses and the EUTR. Besides, there is a considerable difference between the level of awareness of the EU FLEGT Action Plan between French and English speaking actors, and between actors with and without an academic background. This leads to the recommendation to better target communication on the FLEGT Action Plan.

Conclusion on achievements

Main achievements of the FLEGT Action Plan mentioned include 'Improved stakeholder involvement' (almost 30% of the responses), followed by 'improved forest governance (> 10%) and awareness and capacity building (> 10%)'. However there are also concerns about sustained progress towards forest governance: Around 20% of the responses indicate that the lack of political will and effective implementation of the legal framework are still major challenges. So although the FLEGT Action Plan appears to create an important leverage for improving forest governance, some persistent challenges are still there.

Conclusion on challenges

Main challenges mentioned include 'Effective implementation of the VPA' (12% of responses), the 'lack of political will and corruption' (> 10% of the responses) and 'Changing markets' (trade flow towards China)(8% of the responses). The complexity and length of the VPA process to come to FLEGT licenses is mentioned to affect the credibility of the Action Plan.

Conclusion on future actions

The three most cited future actions include 'starting to address deforestation and sustainability – rather than only legality' (58%), 'increased linkage with other processes and initiatives such as REDD' (56%), and 'simplification of the processes'. It is also noteworthy that International NGOs recommend a stronger focus on demand-side measures (as non-NGOs respondents do) while national NGOs want FLEGT to better link with other processes and the VPA process simplified.

Annex: 4 - Results of the written consultations

Main conclusions of the written consultations

Main conclusions of the Traders' survey

Responses

In total 14 respondents participated in the Traders survey. The questionnaire was part of the FLEGT Action Plan evaluation session organised by the consultant during the Global Timber Forum, Shanghai, 9-11 June 2015.

Observation

Since participation was on voluntary basis, the number of respondents is limited. Therefore the conclusions may not be strongly substantiated.

Conclusions on attitude and practices towards illegal logging and trade

All respondents see illegal logging and trade as an important problem. Main reasons mentioned are that 'it causes deforestation and damages the environment' (7), and 'it distorts the level playing field at the timber market' (5).

The majority of respondents currently verify the legality of their products (5 always/ 6 regularly), although their customers do not always ask for legality (2 always, 5 regularly and 5 sometimes).

Measures taken to avoid illegal timber include 'using certification' and 'timber legality verification systems' (9 respondents do so), 'buying certain wood species (3)', 'using a DD system (3)'.

Conclusions on involvement

There is a high level of awareness on FLEGT among the respondents (nine out of 14 respondents), and the vast majority is involved in the Action Plan. None of the respondents revealed any of their budgets for these activities. Main reasons for their involvement in the EU FLEGT Action Plan include 'To improve access to the EU market (9)' and 'To combat illegal logging and trade (9)'. Again, 'sustainable management of national forest resources' is rated high as well (7 times).

Conclusions on changes, achievements and challenges

Seven of the respondents indicate that their supply chain has changed due to the EUTR (7). Changes mentioned include that operators ask for proof (of legality) nowadays (4) and/or ask for certified products (3).

By far the largest achievement of the Action Plan mentioned by the respondents (8 times) is the increased awareness among the private sector (operators, importers, suppliers/ producers) on the issue of illegal timber. Other main achievements mentioned include 'increased efforts to comply with regulations', and 'the creation of a level playing field'.

Main challenges mentioned include the uneven implementation and enforcement of the EUTR (3); the length and complexity of the VPA process/too challenging (6) and the traceability along the chain (3).

Conclusions on future actions

The results indicate that the majority of respondents think the FLEGT Action Plan is still relevant. They appreciate the fact that illegal logging is on the international political agenda and that efforts are made to consult all relevant stakeholders. The two main recommendations to improve the relevance and effectiveness of the EU FLEGT Action Plan are (1) ensuring an even implementation and enforcement of the EUTR, and (2) a simplification of requirements for EUTR and VPA/FLEGT licenses, including fast-tracking of VPAs. Other recommendations include (3) strengthening of the role of the private sector in FLEGT and (4) provision of support to SMEs. Other remarks made are that private sector capacities to comply with requirements need to be built; that support to producer nations is very helpful (something that is missing in the USA Lacey Act); and that, despite an absence of FLEGT licenses, 'a lot has been gained in terms of awareness of the private sector'.

Annex: 4 - Results of the written consultations Results of EU Member States' Survey

Results EU Member States' survey

Introduction

The EU Member States (EU MS) survey is part of the EU FLEGT Action Plan evaluation and can be seen as follow-up to the survey conducted for the EU FLEGT Action Plan Progress Review 2010 by Hudson and Paul. Many questions that were asked in 2010 were repeated in 2015, and additional questions added. The scope for the 2015 survey ranges from 2003 to end of 2014.

The survey was designed to gather information on three distinct topics:

- Part I The EU MS governments' contributions, budgets, and experiences in management and implementation of the FLEGT AP;
- Part II EU MS perceptions of achievements of the FLEGT AP;
- Part III EU MS governments' recommendations for the future and their future involvement in the FLEGT AP.

The survey consisted of a mixture of closed and open questions. Between April and June 2015, 23 Member States returned a filled-in questionnaire either online (through EU survey, one of the EU survey sites), or through a word survey. At the time of writing, five EU MS had not returned the questionnaire.

Besides the survey, the governments of the Member States were requested to fill in a table containing all past and current FLEGT activities and budgets. Thirteen Member States have returned this table. *This table was also filled in by the Commission.*

Responses to the questionnaire were systematically analysed. A preliminary analysis was made using EU Survey tool, which provided the number of responses and percentages of the categories of answers per question. The team exported the data into excel for additional analyses (including analyses per EU MS, action areas etc.). Responses to open questions were reviewed, categorised and analysed by two team members independently. Wherever possible and relevant, comparisons are made with results from the Progress Review 2010.

The results are presented in three parts, following the set up of the questionnaire.

General information

Responses & completeness

Of the 28 EU Member States 23 returned a filled-in questionnaire, and 13 returned the appendix with the table with activities and budgets.

Sweden submitted –due to time constraints- the appendix only. Finland only submitted the questionnaire, but included in their responses some financial data.

In the context of the Progress Review of 2010, 23 Member States returned their questionnaire. Of those 23 respondents, 21 were the same as those that responded in 2015.

The **completeness** of the questionnaire refers to whether questions were answered or not. Not all Member States had to answer the same number of questions. The number of questions to be

Annex: 4 - Results of the written consultations Results of EU Member States' Survey

answered depended on answers provided earlier in the questionnaire. Additional questions would pop up when a certain answer was given.

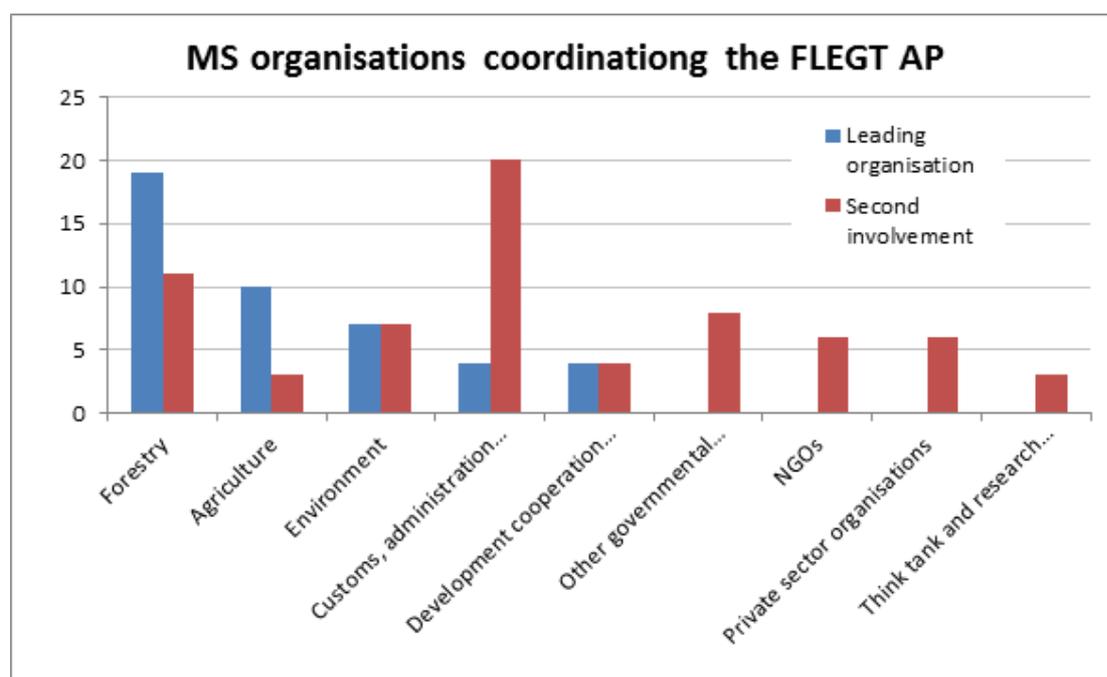
The completeness varied, from countries meticulously answering almost all questions (0-5 questions missed: 13 member states), to those skipping many questions (more than 11 questions missed: 7 member states), and others in between (6-10 questions missed: three member states).

PART I – MANAGEMENT, ACTIONS and BUDGETS OF THE EU FLEGT Action Plan

Institutional setup of FLEGT AP actions within EU MS

Q5 Which department/ministry of your Government is currently leading/ coordinating FLEGT actions?

Q7 Who else (government departments, and other stakeholders) is involved in the implementation of the FLEGT AP in your country?



The department most frequently (19 times) mentioned as leading/coordinating the EU FLEGT AP activities is 'Forestry' (either as an independent department or a combined department with agriculture, environment and others). Customs are mentioned most frequently (20 times) as 'others involved' (Q7).

In the Progress Review 2010 these two (Forestry and Customs) were most frequently mentioned as well. In 2010 the number of times was not specifically counted though).

France and the UK both mentioned explicitly a combined leadership of a technical department (Forestry, Agriculture) for the demand side measures of the Action Plan and Development Cooperation for the supply side measures of the Action Plan.

Annex: 4 - Results of the written consultations Results of EU Member States' Survey

Development Cooperation is mentioned four times as one of the leading/coordinating units (FR, UK, BE and IT). In another four countries Development Cooperation is mentioned under 'others involved' (Q7) (DE, NL, IE and FI).

Departments related to Customs, administration and finance is mentioned as (co-) leading in only four countries (Republic of Croatia, Slovenia, Lithuania and Bulgaria).

In six member states, non-state actors are involved like NGOs, the private sector etc. (DE, FR, NL, AU, UK, BE). In the other 17 responding EU MS no non-state actors are involved.

Conclusions on institutional set up within EU MS

Given the importance of the VPA processes and Action Area 1 'Support to producing countries' the limited leadership (4 EU MS) and involvement (4 EU MS) of Development Cooperation departments is remarkable. This may indicate a strong bias of the EU MS towards the EUTR and its implementation within the EU.

Six responding member states report that non-state actors are involved in the FLEGT AP, while in the other 17 responding member states, there is no report of non-state actors involvement. This is surprising since the involvement of non-state actors is seen as having benefitted the implementation of the FLEGT Action Plan.

Awareness

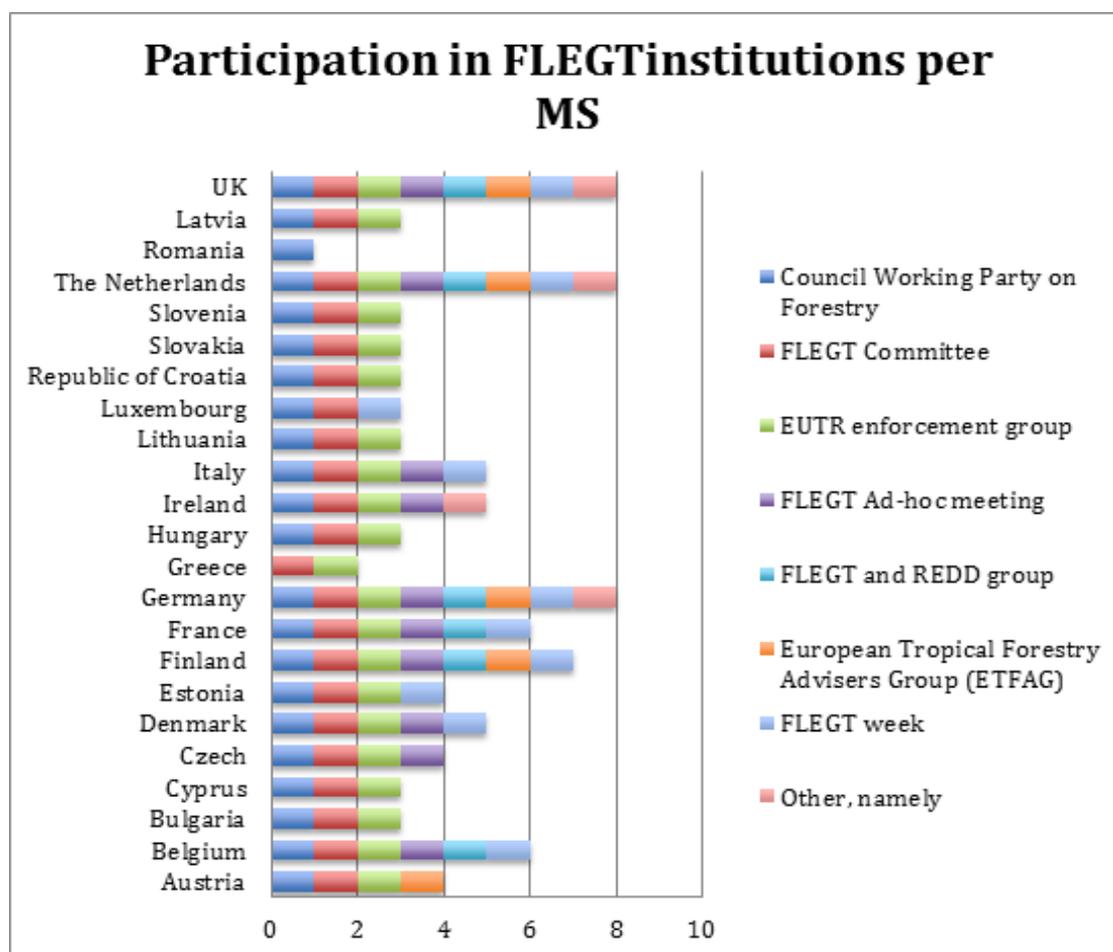
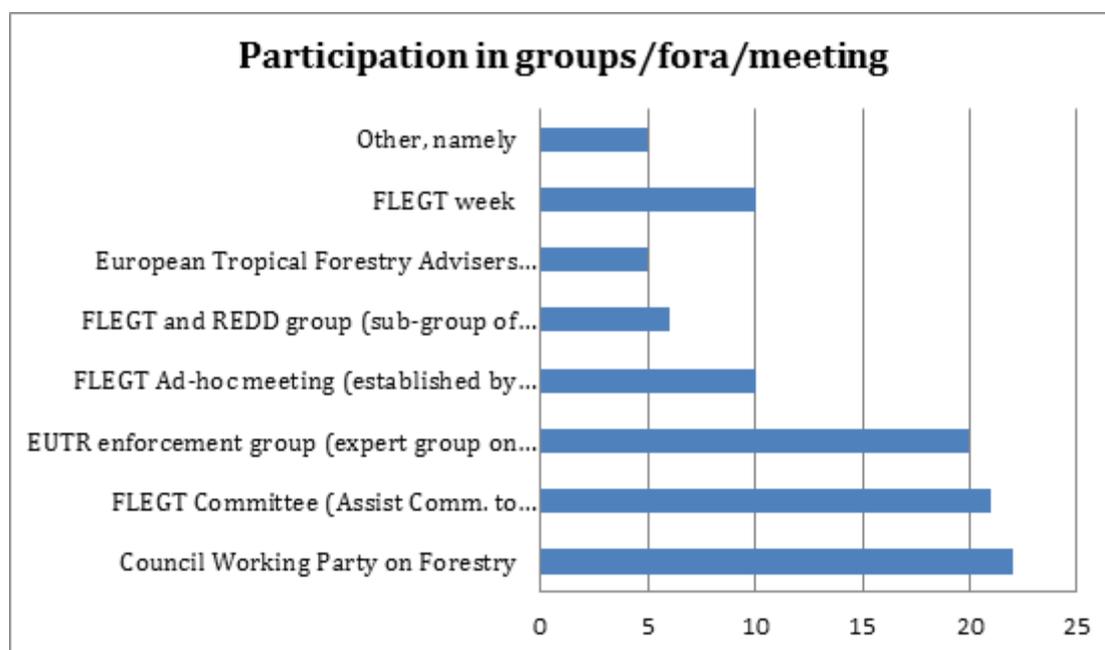
*Q9 How would you rate awareness in your government / department of the FLEGT Action Plan?
N=23*

Of all respondents (n=23), 13 member states indicate they feel well aware of the Action Plan, while 11 feel somewhat aware (France answered both well aware and somewhat aware). Those who felt well aware included mainly the older and more active members (see Q 10) states like Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Luxembourg and the Netherlands. An exception is the UK who feels their government is only somewhat aware. Some of the newer member states, though, also feel they are well aware (Estonia, Slovenia and Romania).

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EU MS involvement in EU FLEGT AP activities

Q10 In which FLEGT related groups/meeting/fora does your government participate? N=23



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Most of the responding member states say to be involved in the three main bodies of the EU FLEGT Action Plan: The Council Working Party on Forests (22); the FLEGT Committee (21), and the EUTR enforcement group (20). Greece and Romania are an exception here. The other fora and groups are less frequently attended.

Other groups mentioned include the Steering Committee of the EU FLEGT Action Plan evaluation, the Steering Committee of the EFI FLEGT –REDD Facility, the Standing Forestry Committee and the FGMC Annual Meeting.

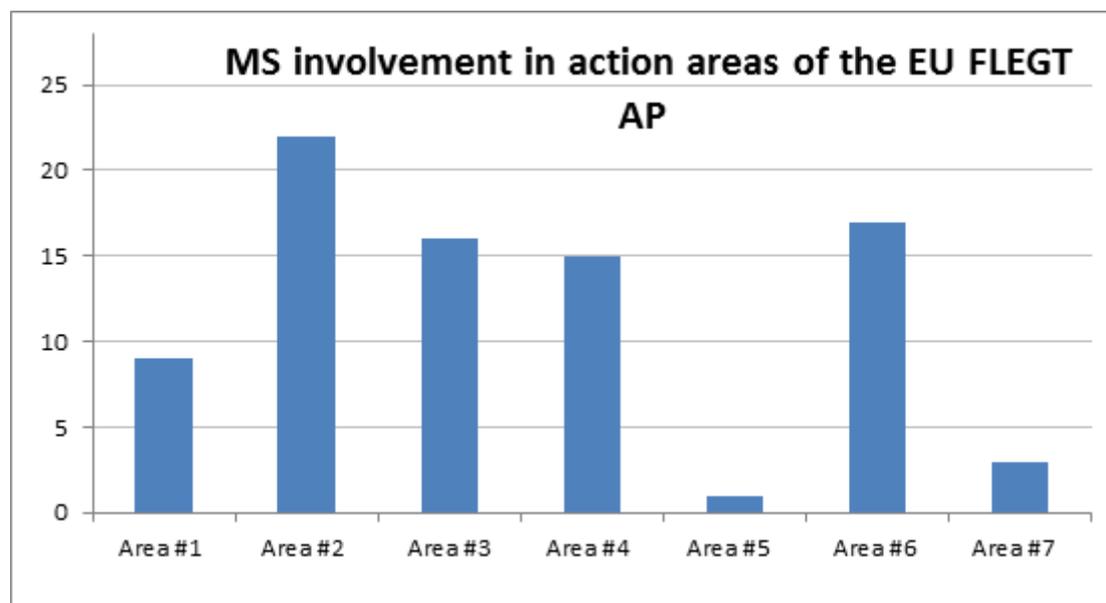
The level of participation in FLEGT related bodies differs considerably: There are eight responding EU MS that participate in five or more FLEGT related bodies: The United Kingdom, the Netherlands, Italy, Ireland, Germany, France, Finland, Demark and Belgium.

Conclusions on participation in FLEGT related bodies

There seems to be a strong participation of the responding EU MS in FLEGT related bodies. Particularly active are the United Kingdom, the Netherlands, Italy, Ireland, Germany, France, Finland, Demark and Belgium. The involvement sees to run along responding EU MS that have limited imports of tropical timber, and are less or not active in development cooperation, and those that have considerable import of tropical timber (FR, IT, NL, UK, BE and DE) and/or are involved in development cooperation (FI, DK).

Involvement in Action Areas

Q12 In which action areas of the FLEGT Action Plan has your country been active? N=23



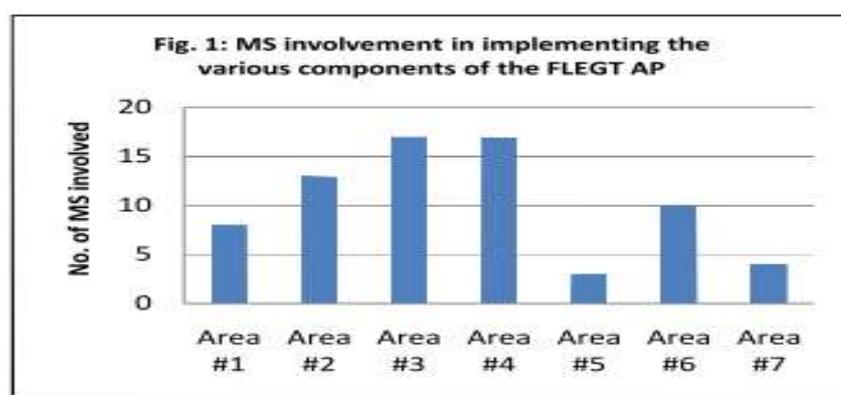
All member states are supposed to be active in Action Area 2 Trade in Timber since the EUTR is part of this Action Area. Lithuania reports not to be active in this Action Area, which is probably a mistake.

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Other Action Areas that rate high include Action Area 3 Public Procurement, Action Area 4 Private sector initiatives and Action Area 6 Use of existing legislative instruments. There are a few things to say about the high scores of Action Area 4 and 6. In Area 4 both private actors in the EU MS and in partner countries are included, referring to both EUTR and VPA processes. In Action Area 6 reference is made to both existing legislative instruments to support the EUTR and own legal production of timber as well as supporting processes for (partner) producing countries. See the separate sections on the Action Areas for more information.

The Action Areas 5 Financing and investment and 7 Conflict Timber have received less attention. For AA 5 reasons for not being involved include: 'No information on investments/lack of knowledge on this issue', 'no guidance on how to proceed with this AA' and 'a private sector responsibility'. For AA 7 Conflict Timber reasons for not being involved include 'Little contact with conflict countries!' 'unknown issue', 'should be addressed at other levels (EU, UN etc.)'.

The rates of involvement are comparable to the rates as reflected in the Progress Review of 2010, although we must take into account that in 2010 two other member states (PL and SE) responded than in 2015 (ET and CT). The rates of Action Area 2 Trade in Timber and Action Area 6 Use of existing legislative instrument were still a bit lower, probably due to the fact that the EUTR was being developed but not under implementation yet.



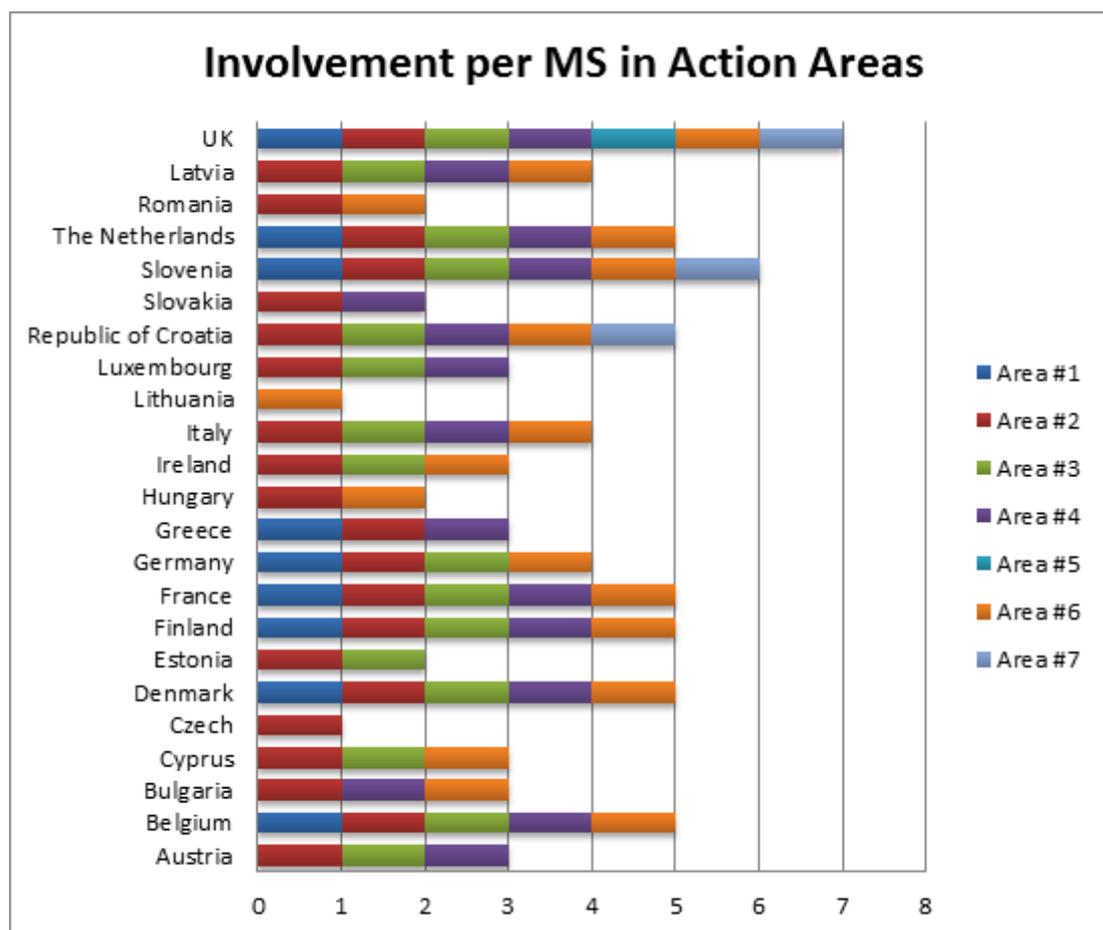
(Based on 23 MS questionnaire replies)

Progress Review 2010

Involvement per EU MS in Action Areas (n=23)

The involvement of EU MS in Action Areas differs considerably, ranging from being active in one Action Area (Czech Republic) to active in all seven Action Areas (UK). Again EU MS like the UK, NL, GE, FR, FI, DK and BE show high levels of involvement, but also EU MS like SL and HR.

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Conclusions on involvement of EU MS in the EU FLEGT Action Plan

Few responding EU MS are active in Action Area 1 Support to producing countries (7 of the responding EU MS). The involvement in Action Area 5 Finance and Investment is very low, mainly due to the lack of knowledge on how to deal with this issue. Action Area 7 is another area that has not received significant involvement, also mainly because responding EU MS do not know how to deal with this topic.

The picture of involvement shows a rather scattered involvement and raises the question whether it is a full-fledged European Union Action Plan, or an Action Plan of some of the EU MS.

EU FLEGT AP AREA #1: SUPPORT TO TIMBER PRODUCING COUNTRIES (VPAs and non-VPAs)

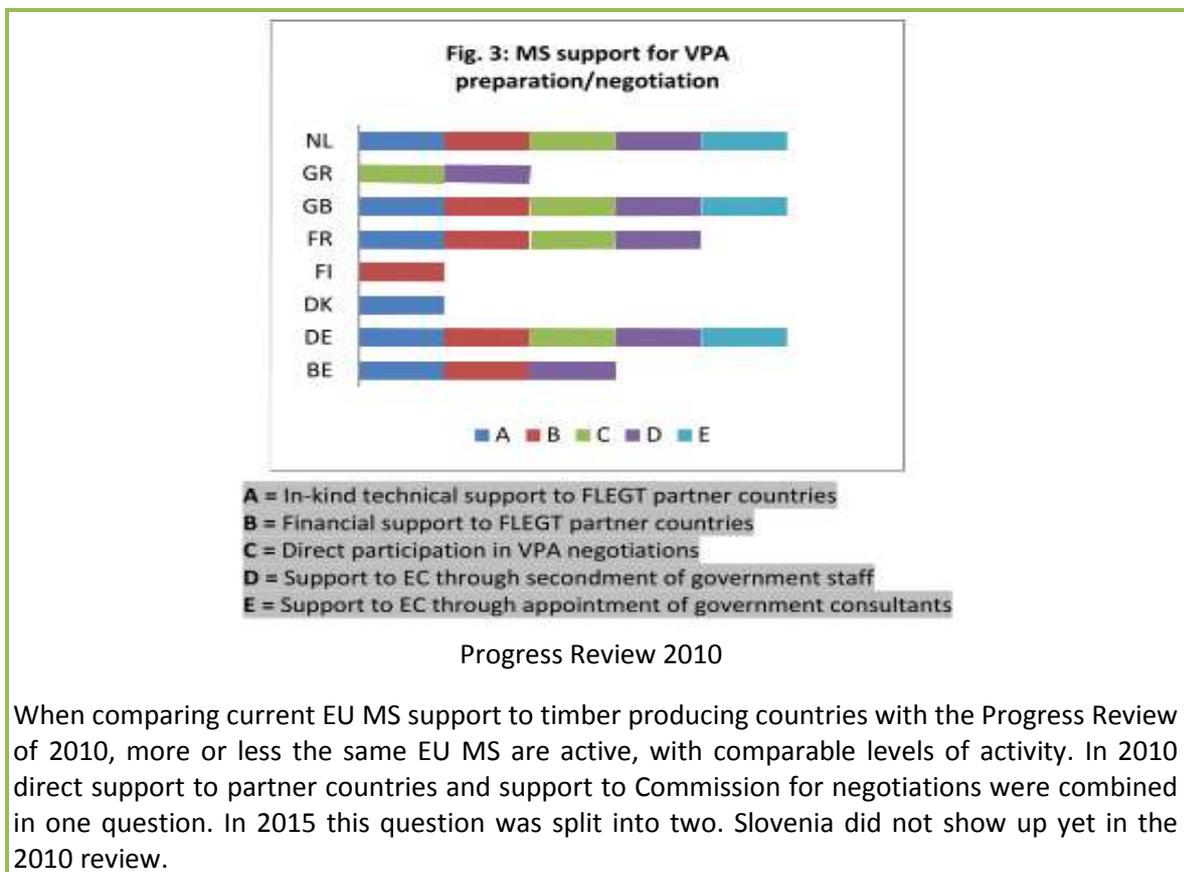
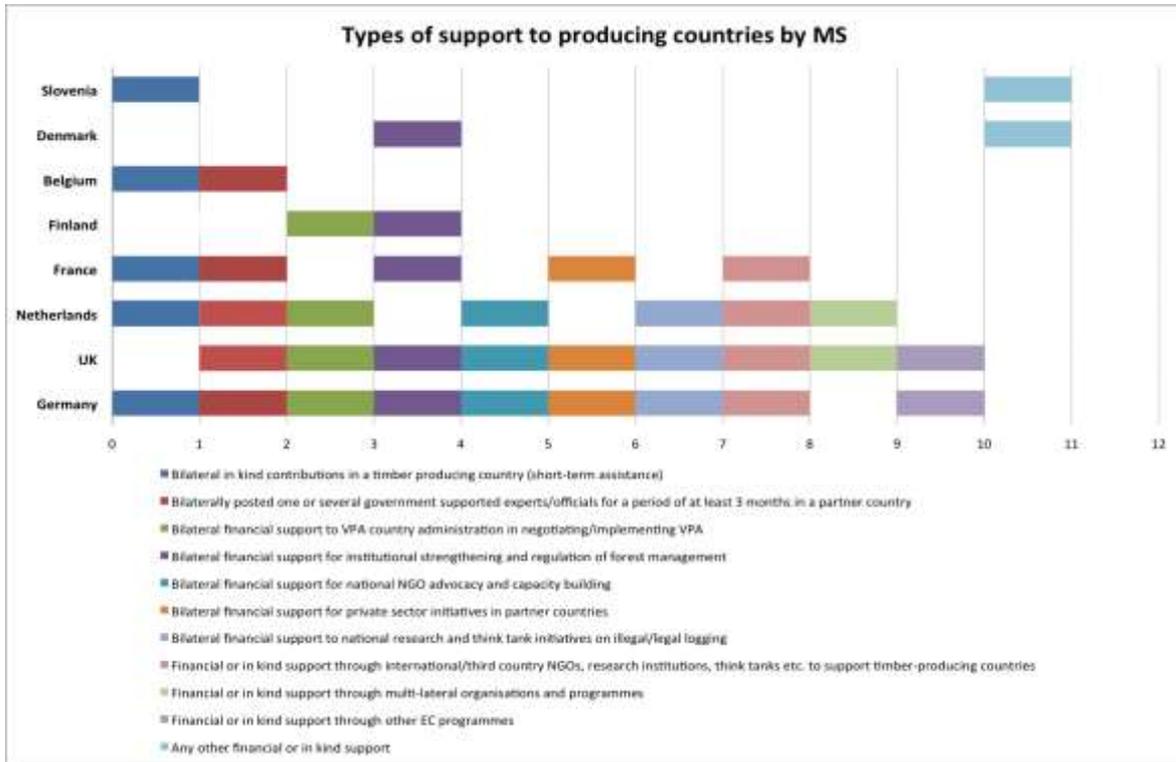
Q15 What types of support has your government given to one or several timber producing countries within the framework of the FLEGT AP? N=9

Eleven countries have indicated their activity in this action area but three countries (AU, IE, DK) provide support that is related to forestry in general and not specifically FLEGT related.

So eight responding EU MS are involved in AA1 (UK, NL, GR, DE, FR, FI, SL and BE). Greece did not report support to producing countries, but reported support to the EC in their negotiations with VPA countries. Slovenia reported they are supporting Serbia. Reasons for not being involved

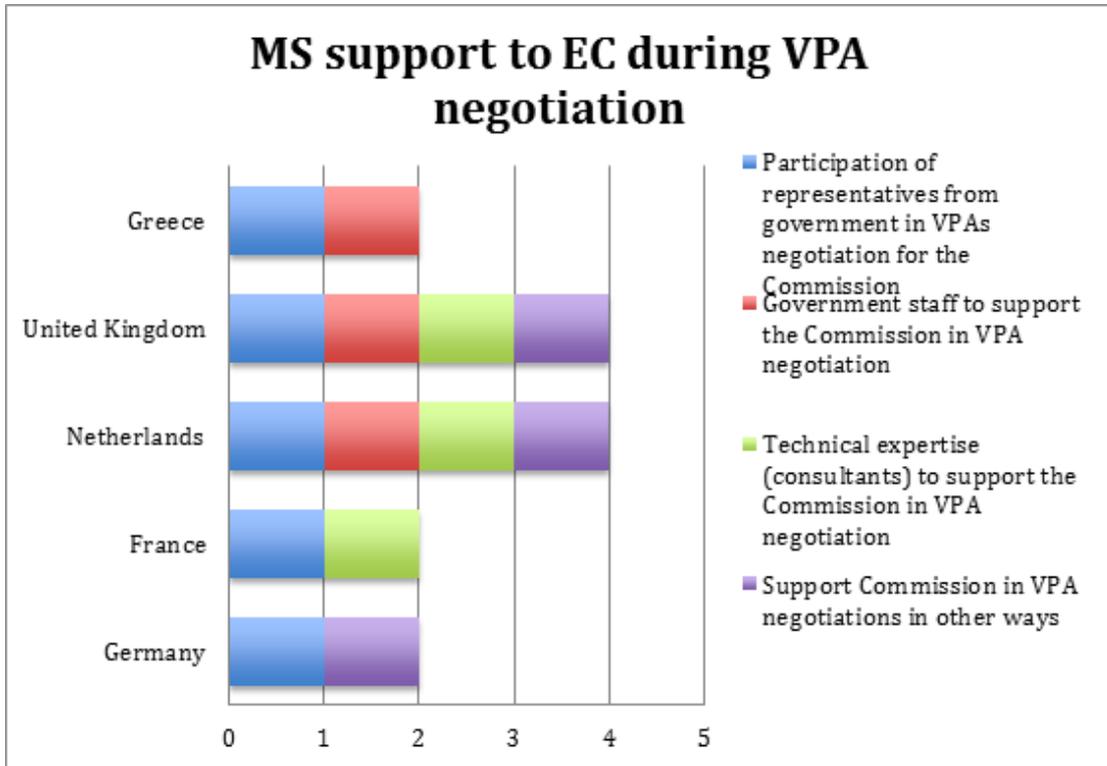
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in AA 1 include 'hardly or no import from partner/VPA countries' (Slovakia, Lithuania, Romania, Latvia), and 'not enough capacities and resources'.



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Q17 Has your government given support to the Commission in VPA negotiation in any of the following ways? N=5



Financial support to producing countries

The following information is derived from the information of the questionnaire's financial appendix. This information is not complete and therefore all figures need to be seen as indicative only. **Financial data includes not only support from EU MS but also from the Commission.**

Which regions and countries received support from EU MS and EU?

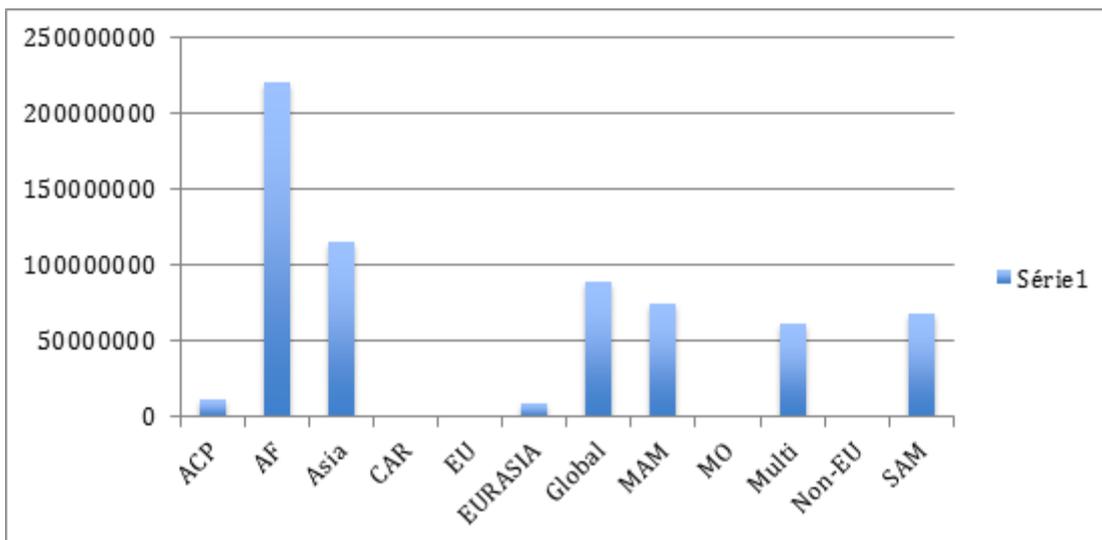


Chart Amounts allocated to Action Area 1 per region, 2003-2014

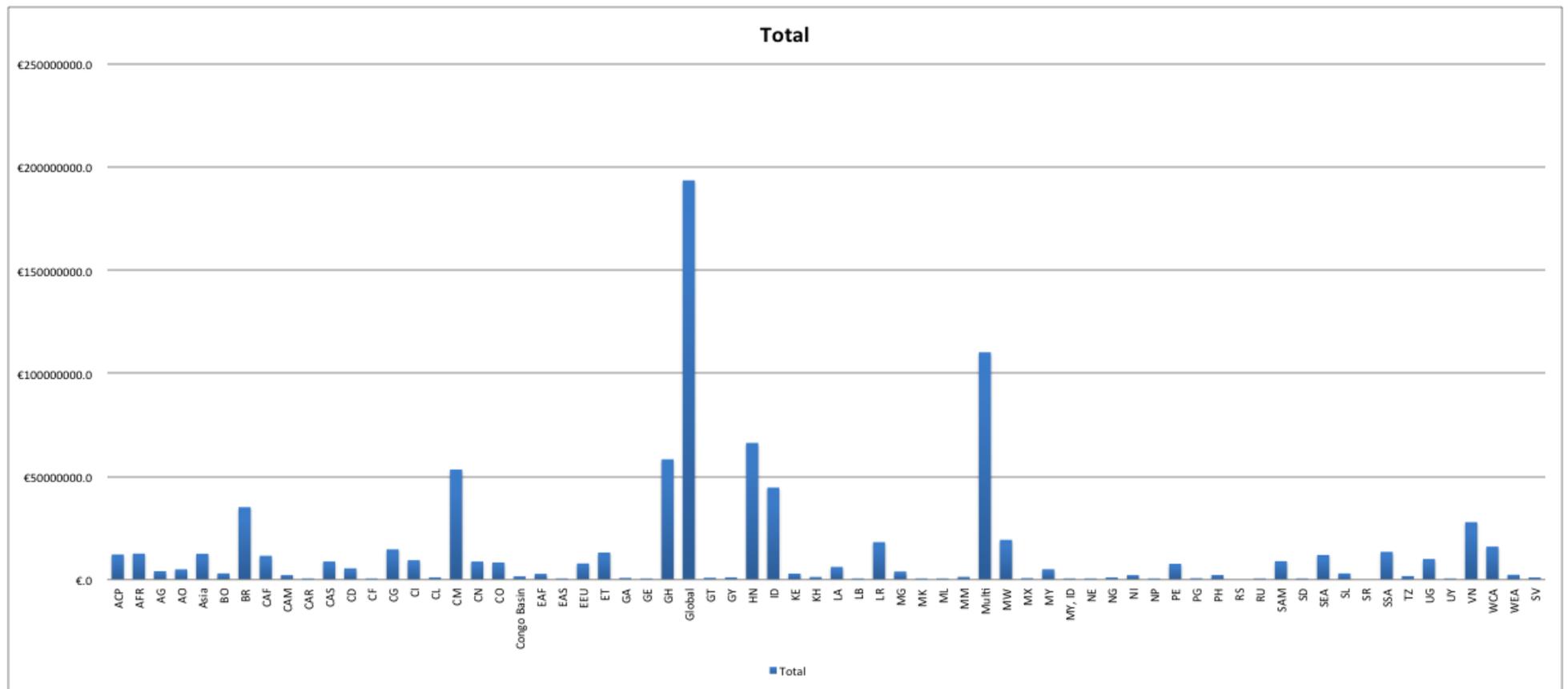
ACP=Africa, Caribe and the Pacific, AF=Africa, CAR=Caribbean countries, MAM=Central American Countries, MO=Middle East, SAM=South American countries

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Between 2005 and 2014, an indicative amount of more than €650 million was spent by the EU MS and the Commissions on Action Area 1 'Support to partner countries'. This only includes the money that was assigned to Action Area 1 specifically (so not including the amounts assigned to combinations of Action Areas, like combined funding for Action Areas 1 and 2, or combined funding for Action Area 1 and 4 etc.).

One third of this amount has been dedicated to Africa, one-sixth to Asia (so half of the allocation that was done to African countries).

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Annex: 4 - Results of the stakeholder consultation

Results Member States Survey

Variations among the VPA categories are considerable. In the implementing VPAs group, the investments in Liberia and the Republic of Congo are significantly lower than the investments in Ghana, Indonesia, and Cameroon. Investments in the Central African Republic are extremely low, even considering the stalling of the process due to the instable situation in the CAR.

Within the various negotiating countries again we see considerable variations in investments. Most noteworthy is the investment in Honduras that surpasses all the amounts of the implementing countries due the existence of a budget support program on forestry.

Conclusions Action Area 1: Support to timber producing countries

Nine responding EU MS are active in Action Area 1 Support to producing countries. This raises concern about the punching power of the FLEGT AP in producing countries (and even more so in the future, see Q69).

Between 2005 and 2014 an indicative amount of more than €650 million was spent on Action Area 1 'Support to partner countries' by EU MS and the Commission. One third of this amount has been dedicated to Africa, one-sixth to Asia (so half of the allocation that was done to African countries).

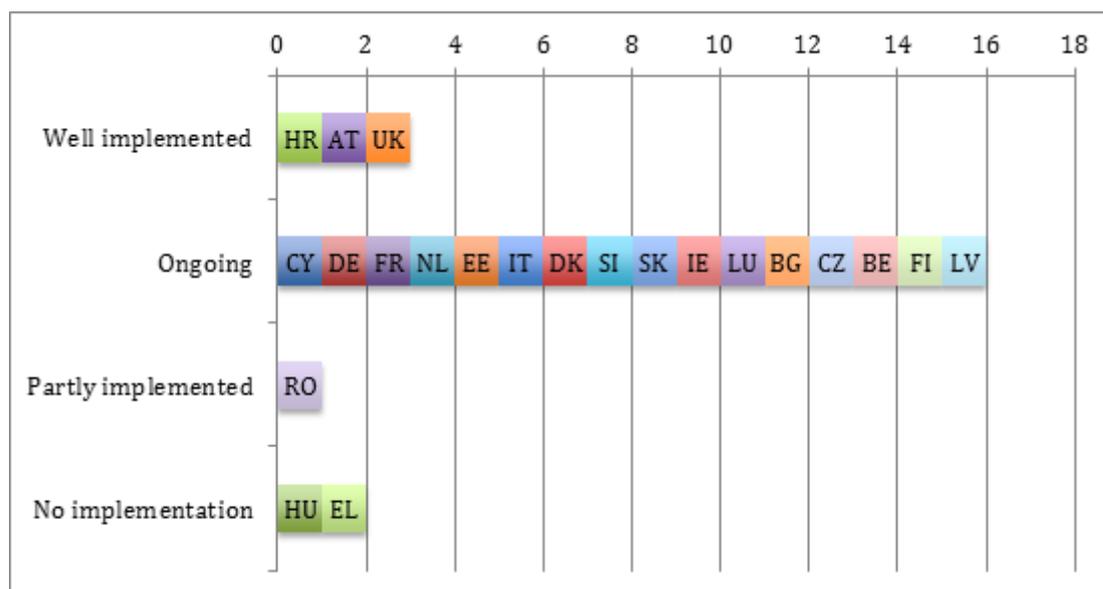
The figures indicate that the countries that were allocated most money include Cameroon, Ghana, Honduras and Indonesia, followed by Brazil. We observe that not only VPA countries received large amounts of direct FLEGT investments. It can also be concluded that the level of export to the EU or the level of illegal wood based products and trade does not correlate with the level of support countries receive.

There are considerable differences between investments in VPA countries, both negotiating and implementing VPAs. Differences are explained, among others, by the differences of needs and the availability of resources for forestry cooperation in different countries. It also raises questions as to the coordination and spread of investments between the Commission and the EU MS and among EU MS.

EU FLEGT AP AREA #2: Trade in timber

*Q19 To what extent has the EUTR in your view been effectively implemented during its first 2 years?
(n=22)*

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The large share of the responding EU MS indicates that the implementation of the EUTR is *on-going* (neither very good nor very bad), while three countries indicate the implementation is going very well (Republic of Croatia, Austria and the United Kingdom).

Another three countries indicate they either partly implement or have not come to implementation yet (Romania, Hungary and Greece).

Q20a Factors that influenced the implementation positively (Q20 n=20)

Responding EU MS mention a range of factors that positively affected the implementation. Most noteworthy answers include **the pressure from NGOs and Civil Society, the engagement of Private sector actors**, political decision-making and the development of supportive legislation (national level).

Efforts of EU Commission and EU MS	1
Development of guidance document	2
Informal exchanges between Competent Authorities	2
Availability of sufficient staff in competent authority	1
Engagement of private sector,	4
Pressure from NGOs/CS on illegal import of timber	4
Cooperation between Competent Authority and Customs	3
Existence of information systems and procedures (timber harvest, timber accounting etc.)	3
Political focus and supportive legislation	4

Q20b Factors that influenced the implementation negatively (Q20 n=20)

Factors that influenced the implementation of the EUTR negatively include the complexity of the regulation in general and the verification of the documents in particular.

Difficult regulation and DDS to implement (general, difficult to check authenticity of document, to verify documents	5
Uneven implementation in the EU MS	3
Lack of supportive national legislation	4
Limited human and financial resources	3
Low interest of private sector actors	3

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Lack of communication, cooperation and involvement of responsible institutions

3

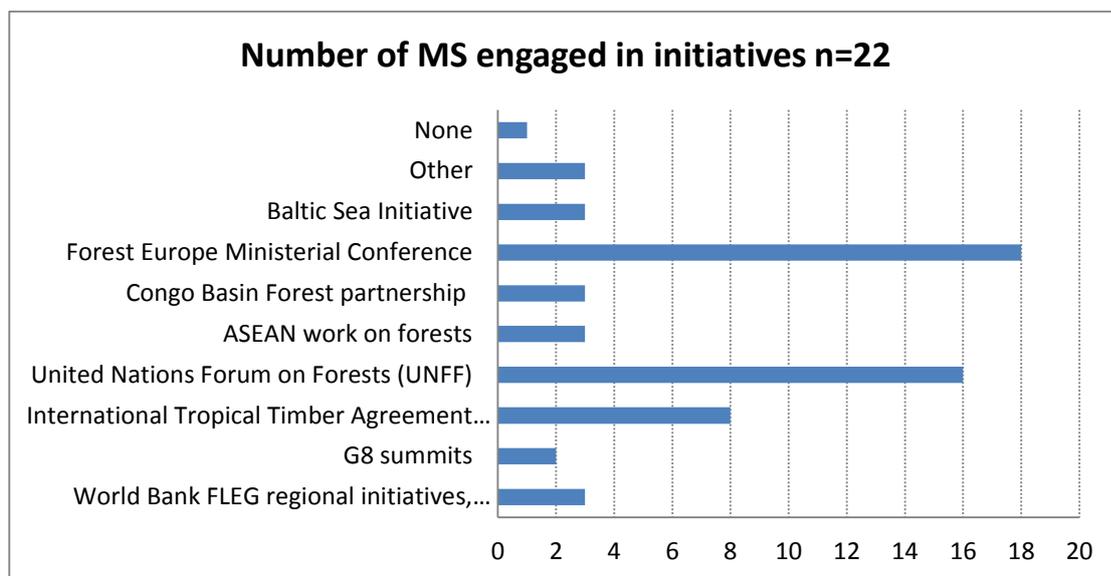
From this listing it appears that in some countries the role of the private sector, the availability of human and financial resources, and national legislation were positive and facilitated the implementation, while in other countries there was a perceived lack of these factors, which hindered implementation.

On Multilateral frameworks

Q21 In which multilateral, regional or bilateral initiatives to advance a multilateral framework to improve forest law enforcement, governance and associated trade has your government engaged? n=22

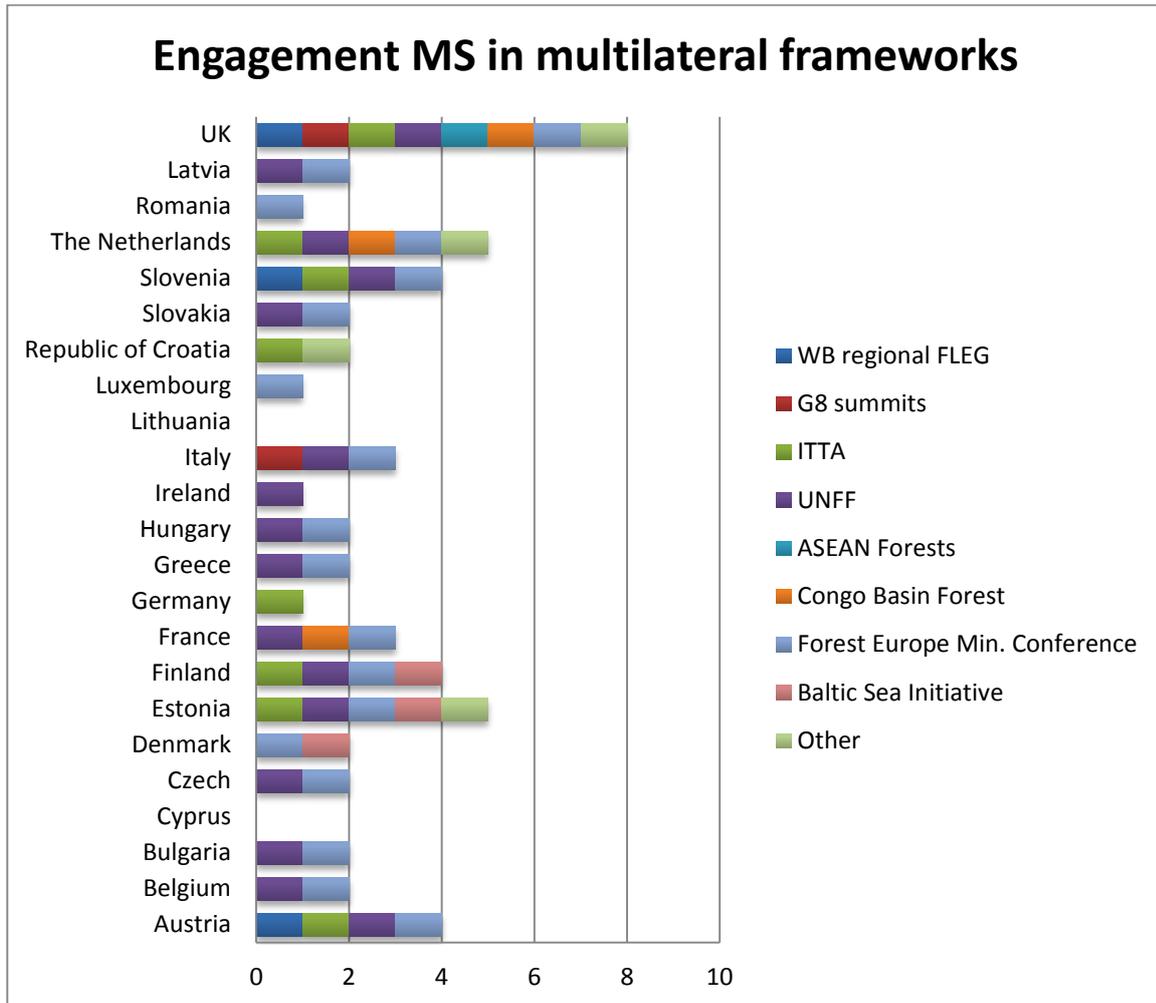
The main initiatives mentioned by member states are the Forest Europe Ministerial Conference (18 EU MS) and the UNFF (16 EU MS). In total 21 member states are involved in one or more initiatives.

In the Progress Review 2010 the number of EU MS engaged in initiatives was 11. It seems the engagement of EU MS has grown considerably over the last 5 years.



Under 'other' a range of initiatives were mentioned: The Nordic Council of Ministers (S, FIN, DK); WSSD (South Africa); FCPF; FAO COFO; EU-China bilaterals; Global Timber Forum; EITI (all UK); ITTO (NL, HR).

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The UK mentioned most initiatives (13). Other relatively active EU MS (3 or more initiatives) include The Netherlands, Slovenia, Italy, France, Finland, Estonia and Austria.

Cyprus indicated to be engaged in none of the initiatives.

Conclusion on involvement in Action Area 2: Trade in Timber

Most of the member states consider the implementation of the **EUTR** as on-going or going well. Three of the EU MS indicate they have not fully implemented the EUTR.

Factors that positively affected the implementation include the involvement and engagement of the Private sector and the NGOs/civil society. From this finding we may conclude there are valuable lessons to learn here on how the involvement of non-state actors can support the implementation of the EUTR in those countries that did not involve non-state actors.

Negative influences on the implementation of the EUTR include mainly the perceived complexity of the regulation in general and to check authenticity of documents in particular.

EU MS engagement in initiatives to advance the **multi-lateral framework** has increased significantly since the Progress Review in 2010.

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FLEGT AP AREA #3: PUBLIC PROCUREMENT

Q24 Does your government have a public procurement policy that aims to contribute to the objectives of the FLEGT AP and if so, what is the main focus? N=16

Ten of the Member States that have a PPP, have a PPP that specifically recognises (and favour) FLEGT licensed timber (CY, IT, HR, AT, SL, UK, IE, LU, FI and LV). This also means that **six Member States have a PPP that does NOT recognise and favour FLEGT licensed timber**: DE, FR, NL, ET, DK and BE.

There are two main reasons why the PPP of these countries do not specifically recognise FLEGT licensed timber: 1) Preference to wait for FLEGT licensed timber on the market before considering recognition (FR, ET); and 2) **FLEGT licensed timber is based on legality and that does not reach the (higher) sustainability level (DE, NL, BE, DK).**

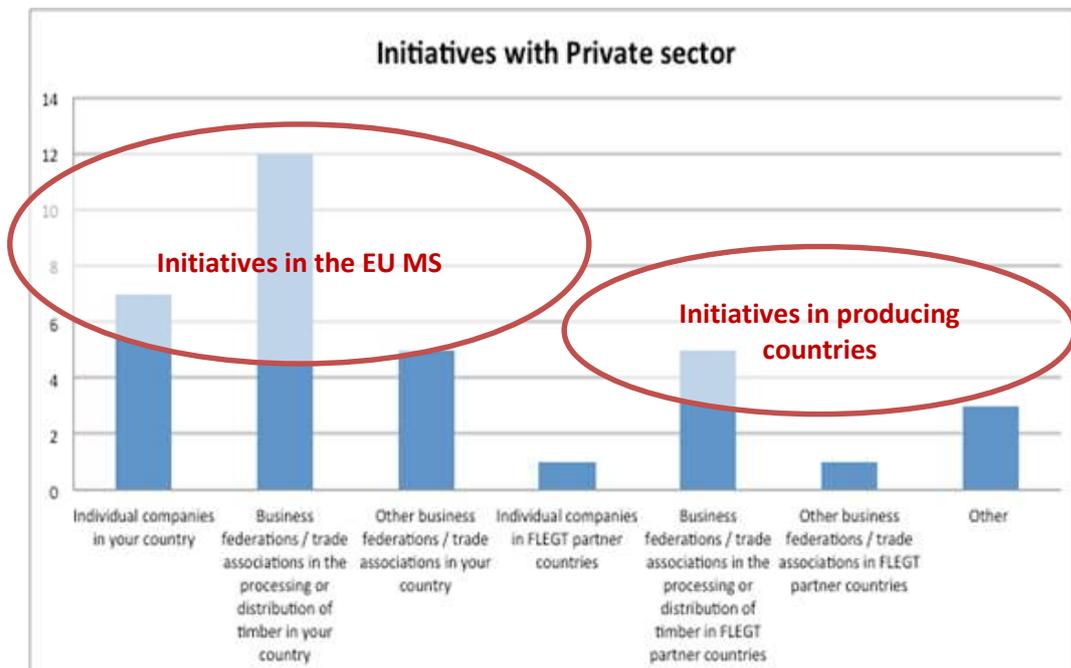
The use of PPP seems to have changed over the last five years. In the Progress Review 2010 the number of member states with a PPP was eleven, with four PPPs that did not recognise FLEGT licensed timber.

Conclusion on involvement in Action Area 3: Public Procurement Policies

Over the last five years the use of PPP seem to have increased (from 11 in 2010 to 16 in 2015), while also the number of PPPs that do **not recognise the FLEGT licensed timber** seem to have increased (4 in 2010, 6 in 2015). The main reasons for not recognising FLEGT licensed timber is that four member states PPPs aim for the 'higher' standard of sustainability. This indicates distinctions within the group of EU MS: Those trying to aim for sustainability, and those that find legality sufficient.

FLEGT AP AREA #4: PRIVATE SECTOR INITIATIVES

Q31 If you deployed initiatives with private sector actors in your country or in timber producing countries, which types of private sector organisations were involved? N=14

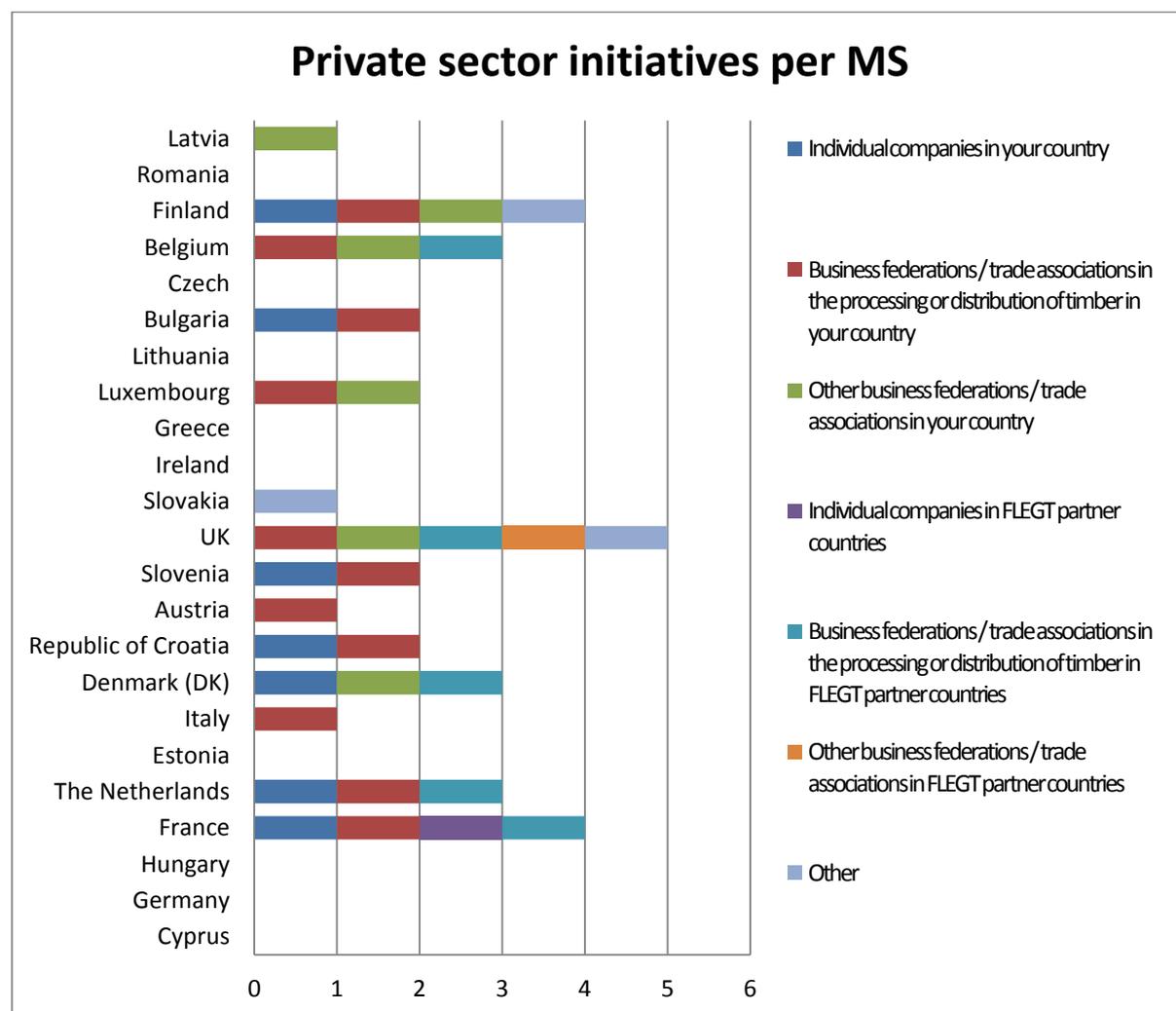


Nine of the responding EU MS indicate they supported initiatives in their own country, while five indicate they supported initiative in partner countries. The initiatives in the Member States in general

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are very much related to demand side measures like the EUTR (almost all respondents) and the PPP (Latvia). Five countries indicate they work with the private sector in FLEGT partner countries: France, the Netherlands, Denmark, the United Kingdom, and Belgium. Finland, Belgium, the UK, Denmark, the Netherlands and France are the most active in private sector initiatives in general as well.

In EU MS countries as well as in producer countries, the responding EU MS mainly worked with Business Federations/associations processing and distributing timber and timber products.



In the **Progress Review 2010** 17 responding EU MS indicated they worked with the private sector in their own country, while four responding EU MS indicated they worked with the PS in FLEGT partner countries. The first figure diverges quite significantly from the number coming from the 2015 survey. Very likely this is due to the low response to this question in 2015.

FLEGT AP AREA #5: FINANCING AND INVESTMENT

Q34 Please provide any other additional information or comments with regard to financing and investment practices, and/or changes in the level or destination of investment in the forestry and forest industry sector abroad (n=1)

Only one Member State indicates activities in this Action Area: The United Kingdom. The UK supports the Forest Footprint Disclosure initiative. This encourages companies to report on their exposure to a set of forest risk commodities through an annual survey, which is backed by investors and asset managers with 298 signatory investors with US\$19 trillion in assets under management. There are a

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number of voluntary initiatives run by UK banks, but they are not in direct partnership with the UK Government.

In the **Progress Review of 2010** three responding EU MS reported activities in this Action Area (UK, NL and LV).

Conclusion on involvement in Action Area 5 Financing and investment

With the exception of the UK not much has been done on this Action Area. Some member states perceive it as a private sector domain (FI, SL), or do not know how to deal with this Action Area (FI, BU, AT, IT, DK).

FLEGT AP AREA #6: SUPPORTING THE AP WITH EXISTING LEGISLATIVE INSTRUMENTS

Action Area 6 Existing Legislative Instruments is an Action Area where many member states claim to be active (17, Q12). In questions 35-40 more details are asked for. Although 17 member states indicated in Q12 they were active in this Action Area, only 11 provided more details.

A number of EU MS (especially those with own production forests) refer to applying existing laws for their legal domestic production (FI, LV, RO, HR and BG).

Q35 If your government provided technical and/or financial assistance to timber producing countries to deal with forest-related money laundering, indicate what type of support was provided. N=1

One member state provided technical assistance to timber producing countries to deal with forest related money laundering (BE).

Q37 Has your government carried out work to establish whether any of your domestic legislation on money laundering is applicable to forest sector crimes? N=7

Q38 If so, what conclusions were drawn, and how have they been communicated to financial institutions and enforcement agencies? Please describe.

Of the seven member states (DE, NL, HR, UK, SK, FI, LV) that explored whether domestic money laundering legislation could be applied to forest sector crime, four member states draw the conclusion that indeed domestic money laundering legislation could be applied to domestic forest crimes (HR, SK, FI and LV), while FI and DE both state that applying this legislation to crimes committed abroad is either very difficult (to collect evidence (FI) or not possible (DE)). The UK (DFID and HM Treasury) worked with Chatham House to convene a workshop involving the Financial Intelligence Units (FIUs) from Indonesia and British Overseas Territories (BVI, Jersey, Guernsey), to examine evidence of money laundering relating to certain cases. They concluded that existing legislation is potentially applicable in this situation (however this is referring to legislation of the Territories and not to the UK domestic legislation).

39 Has your government reviewed how other legislation (than EUTR, money laundering) might be used to tackle forest related crimes?

40 If yes, what conclusions were drawn from this review, and have any specific initiatives emerged as a result? Please describe.

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Seven responding EU MS explored the application of other existing instruments (IT, HR, UK, BG, FI, RO and LV).

Five countries mention Forest Laws that have been reviewed, and refer to their domestic situation (IT, HR, BU, RO and LV). Finland reviewed legislation on stolen goods/property, custom legislation and tax regulations. UK claims to have reviewed other legislation, but gives no examples.

In the **Progress Review of 2010** six responding EU MS reviewed whether domestic legislation on money laundering could be applicable to forest sector crime (BG, FI, DE, LV, NL and UK). Eight responding EU MS claimed to have reviewed other legislation (BE, FI, FR, DE, HU, LV, LT, NL)

Conclusion on the involvement in Action Area 6 Existing Legislation

Although many member states claim to be involved in this action area (17), only 11 mention examples of what they have been doing. Seven EU MS reviewed Money laundering legislation. Four member states draw the conclusion that indeed domestic money laundering legislation could be applied to domestic forest crimes (HR, SK, FI and LV), while FI and DE both state that applying this legislation to crimes committed abroad is either very difficult (to collect evidence (FI) or not possible (DE). With regard to other existing legislation, at least five countries refer to their own forest legislation (IT, HR, BU, RO and LV). Finland reviewed a range of existing legislations.

FLEGT AP AREA #7: CONFLICT TIMBER

Q42 If your country has not undertaken activities in this action area, please explain why not.

In Q12 three EU MS indicated they are active in this action area: UK, Slovenia and the Republic of Croatia. When asking for details why they were not involved, the responding EU MS claimed they are not involved due to several reasons: 'Little contact with conflict countries!', 'unknown issue', 'should be addressed at other levels (EU, UN etc.)', 'no resources', and 'no interest' (combination of Q14 and Q 42).

The UK worked with the Security Council on Liberia sanctions. Monitoring of the forest sector in Liberia continues to be framed in terms of this action area (Q 54).

In the **Progress Review 2010** still five member states reported to be active in this action area (DK, DE, NL, SE, UK).

Conclusion on the involvement in Action Area 7 Conflict timber

The involvement of the responding EU MS in Conflict Timber is very limited. A large share of the responding EU MS do not know how to deal with this issue or think it is the mandate of the European Commission (or UN) to work on this action area.

Main conclusions Part I INVOLVEMENT OF EU MEMBER STATES

Level of involvement: Naturally all Member States governments are involved in the EU FLEGT Action Plan. The *active* involvement of the EU Member States governments in the EU FLEGT Action Plan shows however great variations in terms of a) their participation in FLEGT governing bodies, b) the numbers and types of Action Areas they are involved in, c) the funds they invest in the Plan, and d) their focus on legality versus sustainability. The division of the level of active involvement seems to run along responding EU MS that have considerable imports of tropical timber (FR, IT, NL, UK, BE and

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DE) and/or are involved in development cooperation (FI, DK) versus those that have limited imports of tropical timber and/or are less or not active in development cooperation. The countries from the latter category are less actively involved.

The diverse picture of involvement raises the question whether it is an Action Plan that is genuinely a full-fledged EU initiative, or an Action Plan of some of the (mainly North-western) EU MS.

Involvement of non-state actors (non-governmental and private actors): Six responding Member States report the involvement of non-state actors in the FLEGT AP in their country, while the other 17 do not. Valuable lessons can be learned from the six EU MS that report the involvement of non-state actors in their country, e.g. their involvement is said to have benefited the implementation and enforcement of the EUTR through their campaigning and lobbying efforts.

Budgets: Detailed figures on EU and EU MS investments in FLEGT related action areas and activities have been hard to obtain due to the difficulty to quantify FLEGT related actions in financial terms and, possibly, a lack of information on investments made in FLEGT related action areas and activities by EU MS themselves. All figures mentioned in the EU MS survey (that includes EU figures as well) should be seen as indicative: Between 2003 and 2014 the EU MS survey data report an *indicative amount* of more than €650 million spent on Action Area 1 'Support to producing countries' (around 80% of the total reported budgets). One third of this amount has been dedicated specifically to Africa, one-sixth to Asia.

The level of export to the EU, being a VPA or not, nor the level of illegal wood based products and trade correlate with the level of support countries receive.

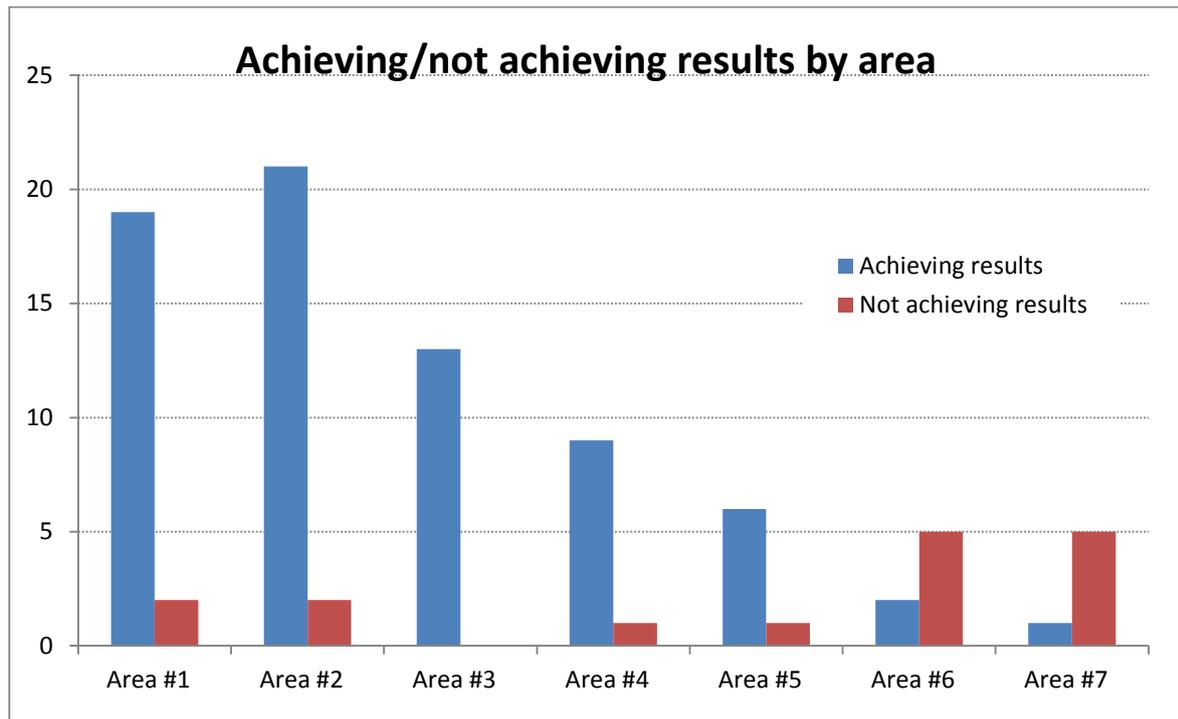
Action Areas where progress is limited: Involvement in Action Area 5 Finance and Investment and Action Area 7 Conflict Timber has been very limited.

PART II - PERCEPTIONS ON ACHIEVEMENTS OF THE FLEGT ACTION PLAN 2003-2014, AND ACTORS AND FACTORS INFLUENCING THE IMPLEMENTATION AND ACHIEVEMENTS

Q44/45 In your perception, which action areas of the FLEGT Action Plan are achieving results and which areas are not achieving results (overall, so not only in your country)? Q44 n=21, Q45 n=8

Action Areas 1, 2 and 3 are mentioned by the majority of responding EU MS as achieving results (resp. 19, 21 and 13 EU MS). All EU MS that answered this question, find especially Action Area 2 to be achieving results. Here they seem to refer mainly to the EUTR. The number of EU MS that answered what action areas do not achieve results is rather limited (n=8). Those that answered this question, indicate that especially action area 6 and 7 are perceived as not achieving results.

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Explanations for achievements and non-achievements

In general EU MS state it is still difficult to assess /measure or too early to say for some countries what achievements have been made. Others state that all action areas show good results (HR, SL). One EU MS states 'Changes exceed previous efforts to reform forest governance' (UK).

Area 1 Support to producing countries: EU MS perceive various important achievements in this area: Four EU MS mention the **stakeholder engagement process** (NL, IT, DK, UK), and the start of a **policy dialogue to improve forest governance** (FI, IT, DK and UK). Four EU MS mention the development of a **TLAS** as an achievement (IT, DK, UK, LT) and two mentioned improved **transparency** (IT, UK). Non-achievements include 'No TLAS' yet. Here also mentioning is made of very slow processes towards FLEGT licences (FI, UK) but actually that belongs to Action Area 2.

Area 2 Trade in timber: All EU MS have ticked this action area as achieving results, while also two EU MS (of those who ticked positive achievements) indicate at the same time that this action area is not achieving results. Explanations for positive achievements mainly refer to the EUTR, like **increased collaboration within the EU**, the EUTR implemented in almost all countries, which is in itself quite an achievement for a number of EU MS. Others state that it is too early to assess results, the EUTR still needs reinforcement and that the trade patterns have not changed yet. Here also mention should be made of the remark that process towards FLEGT licenses is very slow, as mentioned by two EU MS.

Area 3 Use of Public Procurement Policies: Although 13 EU MS indicate this as an area achieving results, only very few EU MS explained why they thought so. Two EU MS state that PPPs have created awareness and changes in the timber industry, both in producer and in consumer countries.

Area 4 Private sector initiatives: Nine EU MS indicate this area as an area that produces results. They see changes in certification practices within the industry (which contributes to fighting illegal logging) (FR, AT, BE) and they see increased awareness and norms (UK, FI), and improved collaboration between the private sector in consuming and producer countries (UK). One EU MS states that the private sector will not be really interested if there are no clear financial incentives (NL).

Area 5 Finance and investment: Six EU MS indicate they see achievements in this area. They see – although no tangible results as yet- a growing awareness to build in safeguards into any investments,

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and some financial institutions move towards code of governance and CSR. One EU MS claims that FLEGT Action Plan is not the appropriate instrument to work on this area (BG).

Area 6 Use of Anti-money Laundering and other existing legislative instruments: Only two EU MS see achievements in this area (HR, FR), but FR does not give an explanation, and HR states that all areas achieve results. Five EU MS do not see achievements. Reference here is made to the inability to apply domestic jurisdiction to crimes committed abroad.

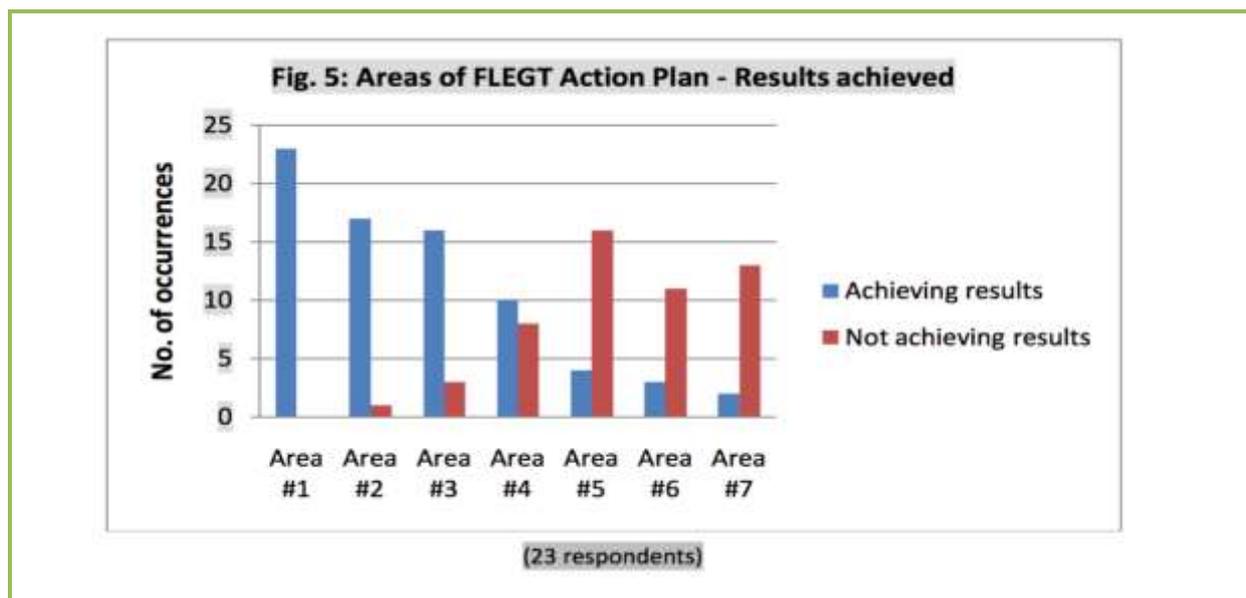
Area 7 Conflict timber: Here again HR states this area produces results since all areas produce results. Another five EU MS do not see any achievements here: Some EU MS refer to the complexity of the issue, while others think it goes beyond their own competences and should be dealt with by the UN or the EU.



When comparing this with the Progress Review of 2010 a rather similar picture can be seen, with the majority of respondents indicating the first three action areas as areas achieving results. In 2010 Action Area 1 was considered by most EU MS to be achieving results, while in 2015 this has moved towards **Action Area 2 Trade in Timber**, very likely due to the implementation of the EUTR since 2013.

In 2010 EU MS ticked more areas that were not achieving results than in 2015, but again areas 6 and 7 are in both 2010 and 2015 perceived as areas that do not achieve results. Remarkable is the change in perception of achievements of **action area 5 Finance and Investment**: While in 2010 15 EU MS considered this action area as not producing results, in 2015 only 2 EU MS see this as a non-achieving action area.

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FLEGT AP AREA #1: SUPPORT TO TIMBER PRODUCING COUNTRIES

Q48 What are the observable direct achievements (expected and unexpected, positive and negative) of your support to timber producing countries under the FLEGT Action Plan including your support to VPA negotiations (i.e. those that can be clearly attributed to it)? Please specify per country you have supported. N=4 (UK, NL, BE, FI).

Four EU MS have filled in this question; the number of achievements reported is therefore limited

Malaysia	Through stakeholder engagement, rights of indigenous people and forest law enforcement are on the agenda (NL)
Indonesia	Support has sped up finalisation of the VPA (NL) A system for licensing is in place but not fully operational (complaint procedures, periodic evaluation); Independent Forest Monitoring revealed a case for Anti-corruption commissions; Reaching small producers faces challenges (UK).
Ghana	A full licensing scheme is almost finalized (UK). Independent Monitor has a mandate (UK) TLAS has external audit function (UK) Consensus between Civil Society and the Private Sector (UK) Spotlight on informal domestic market and on new policies (UK)
Liberia	There is a functioning Chain of custody and Legality Verification (UK) Capacities developed of the FDA, NGO, CS (UK) Progress with CS Independent Monitoring (UK) Improved transparency (UK) Benefit sharing arrangement (UK)
Guyana	The facilitator breaks down barriers, and the formulation of legal requirements is underway (UK).
Vietnam	Achievements in governance, accountability and participation, through a range of grants to NGOs and with in-country facilitators (UK). Parties have been supported to conduct two negotiations and a number of joint expert and technical meetings. – We are assisting Government actors in Viet Nam (in particular within VNFOREST) to better understand the issues and options in developing their timber legality assurance system (TLAS). – We are supporting the engagement of civil society organisations in the process. - Identifying gaps and opportunities to inform a coordinated donor-approach to FLEGT-related activities. –

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	and we are providing information to the Commission to enhance their understanding of key issues and the country context of the VPA (FI).
DRC	Achievements in governance, accountability and participation, through a range of grants to NGOs and with in-country facilitators (UK). Development of a new legal framework for community forestry (BE) Joint multi-donor fund for forest governance (BE) Initial stages of the negotiations of the FLEGT VPA (through BTC) (BE) Strengthening of the sustainable management of forest resources (BE) Major breakthroughs: monitoring process of valuable timber species (Database on Afrormosia) (BE) Insufficient political appropriation of the process by authorities (BE)
Congo	Achievements in governance, accountability and participation, through a range of grants to NGOs and with in-country facilitators (UK). Enactment of the IP rights act secured that had been pending for many years (UK).

FLEGT AP AREA #2: TRADE IN TIMBER

Q49 How has the EU Timber Regulation affected/influenced trade in timber (or will affect/influence) in your country or in the partner countries you supported? Do you see (or expect) any specific impact on VPAs (positive and /or negative)? N=20

Neutral changes

No changes observed in timber import (SL, SK, UK, CZ, RO, LV).
Too early to tell (IT, DK, HR, GR)
In general no change (ET)
Some operators are becoming traders (NL) and some start providing DDS services (BE)

Positive changes

Greater awareness of risk illegal timber (GR, FR, NL, AT, FI)
Change to certified timber import / incentive to certified timber (NL, GR)
NGOs have a tool for law enforcement now (NL)
Affected legislation of Russia (exporting country) (FI)
Benefits legal producers excluding low priced illegal timber from market (LV, BU)
Perceived future positive impact of EUTR on VPA (NL, UK)-> level market field for VPA countries

Negative changes

Cost of implementation has increased / increased burdens (CY, CZ)
If supplier do not want to share details> companies need to change suppliers (CY, GR, AT)
Small importers are not importing timber anymore (GR)
Possibly harmful for certification/ Link certification and EUTR to be clarified (F)
Without VPA importers avoid tropical timber (NL)
EUTR kept EU PS from investment in partner countries (UK)
Confusion in producing countries what counts as evidence (UK)

Conclusions on achievements of the EUTR

More than half of the responding EU MS state they do not see any changes in timber import, or state it is still too early to draw conclusions. Most of the countries that state they did not see any changes

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in timber import are countries that have very limited timber import anyway, except for the UK, and IT.

In general positive effects include greater awareness of the industry, and a move towards certification. Negative effects include increase in costs and administrative burden.

FLEGT AP AREA #3: PUBLIC PROCUREMENT

Q50 If your government does have a procurement policy for timber/timber products in place, what have been the observable achievements of the policy (expected and unexpected, positive and/or negative)? N=13

A large share of the respondents state they cannot answer this question since the monitoring is still on going and information cannot be provided yet. Three EU MS claim that the demand for and use of certified timber has increased. Proper implementation seems (to have been) an issue in DK, and UK, while answers also indicate the PPPs have broader spin off e.g. towards the broader industry (UK), and other products (DK), and the overall domestic market (HR).

No information yet - Monitoring on going (DE, FR, NL, IT, AT, FI)

Reduced risk of using illegal timber (CY)

Increased demand certified timber import and use (DE, SL, BE)

Weak implementation (25% of purchase according PPP) led to binding laws (DK)

Inspired criteria for other products - chips, pellets (DK)

Increase domestic market and development of national sector (HR)

Timber Procurement Policies applied on 85-100% of central government contracts (UK)

Became standard for industry as well (UK)

Procurement policy should not be a major issue if the EUTR and FLEGT are working correctly – only legally harvested timber can be placed on the market.(LV)

Conclusions on achievements of the Public Procurement Policies

A large share of the responding EU MS does not have information on this question. Those that do provide answers state the demand for certified timber has increased, indicate implementation could be an issue, and also show some broader spin off of the PPP towards the industry, other products and the market.

FLEGT AP AREA #4: PRIVATE SECTOR INITIATIVES

Q51 What changes (positive and/or negative) in the policies and/or practices of the private sector in your country or in the partner countries you supported have taken place as a result of FLEGT AP? N=13

The responses to this question vary strongly: From no real changes (NL, SL) and changes not assessed (DK, GR) to an increased demand for certified timber (although it is also stated this trend was already on-going but FLEGT likely contributed to this trend), and Codes of conduct. One concern expressed is that through the attention for legal timber, the attention for sustainable timber gets smothered (BE). A remark by Finland was made that SME are very difficult to reach as well as companies that operate outside the traditional forestry sector.

Positive changes

Seemingly increase investments in traceability and responsible purchases policies (FR)

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PS supports the European Sustainable Tropical Timber Coalition (NL)

Importers more keen to assess timber legal origin (IT, SL)

Increased demand for certifications (AT, BU, BE, FI), likely FLEGT contributed to existing trend

Adoption of codes of conduct - Responsible trade standards by the PS (UK)

Outreach and guidance of UK PS to PS in producing countries (UK)

Negative changes

No changes in PS (NL)

No interest of PS in FLEGT licensed timber (NL)

Decline in demand for tropical timber (NL)

Attention for sustainable timber gets hidden (BE)

Neutral

Not assessed (DK, GR)

Changes not FLEGT related (SL)

Conclusions on achievements by the private sector

A rather mixed picture on achievements of the private sector is given: Some countries do not see noticeable achievements while others like the UK report a number of achievements.

FLEGT AP AREA #5: FINANCING AND INVESTMENT

52 Is there any evidence that banks and other financial institutions in your country, including export credit agencies, have changed their policies and practices to encourage better forest governance and discourage illegal logging in producing countries? N=1

Only one country reported being active in this action area and shared achievements (UK): The UK supports the Forest Footprint Disclosure initiative. This encourages companies to report on their exposure to a set of forest risk commodities through an annual survey, which is backed by investors and asset managers with 298 signatory investors with US\$19 trillion in assets under management. There are a number of voluntary initiatives run by UK banks, but they are not in direct partnership with the UK Government.

Conclusions on achievements on financing and investment

Despite the fact that several EU MS see –although no tangible results as yet- a growing awareness to build in safeguards into any investments, and some financial institutions move towards codes of governance and CSR, only one EU MS is really active in this action area (UK). They support the Forest Footprint Disclosure Initiative that performs an annual survey.

FLEGT AP AREA #6: EXISTING LEGISLATIVE INSTRUMENTS

Q53 What are the observable direct achievements (expected and unexpected, positive and/or negative) of your support to the FLEGT AP with legislative instruments? N=12

In their answers the EU MS (12) provide messages about achievements that mainly refer to the EUTR and VPA processes, but not to the contribution of already existing legislation to the overall FLEGT objectives, or claim very general results like 'contributed to prevention of illegal timber'. Two EU MS clearly state that results have not been assessed. It seems this question and likely also the Action Area itself and its perceived achievements are not well understood by the EU MS.

Conclusion on achievements of existing legislative instruments

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This question and likely also the action area itself seem to be not well understood.

FLEGT AP AREA #7: CONFLICT TIMBER

Q54 What are the observable direct achievements (expected and unexpected, positive and/or negative) of your support to combat conflict timber? N=3

Although three EU MS answered this question, only the UK shared some specifics on achievements in this action area. They worked with the Security Council on Liberia sanctions. Monitoring of the forest sector in Liberia is still framed under this action area.

Conclusion on achievements of conflict timber

Achievements are reported on the sanctions on Liberia, and the monitoring work of the forest sector in Liberia (UK).

Other achievements

Q55 Have you seen any achievements of your government's contribution to FLEGT AP that have not been mentioned under the action areas yet? N=1

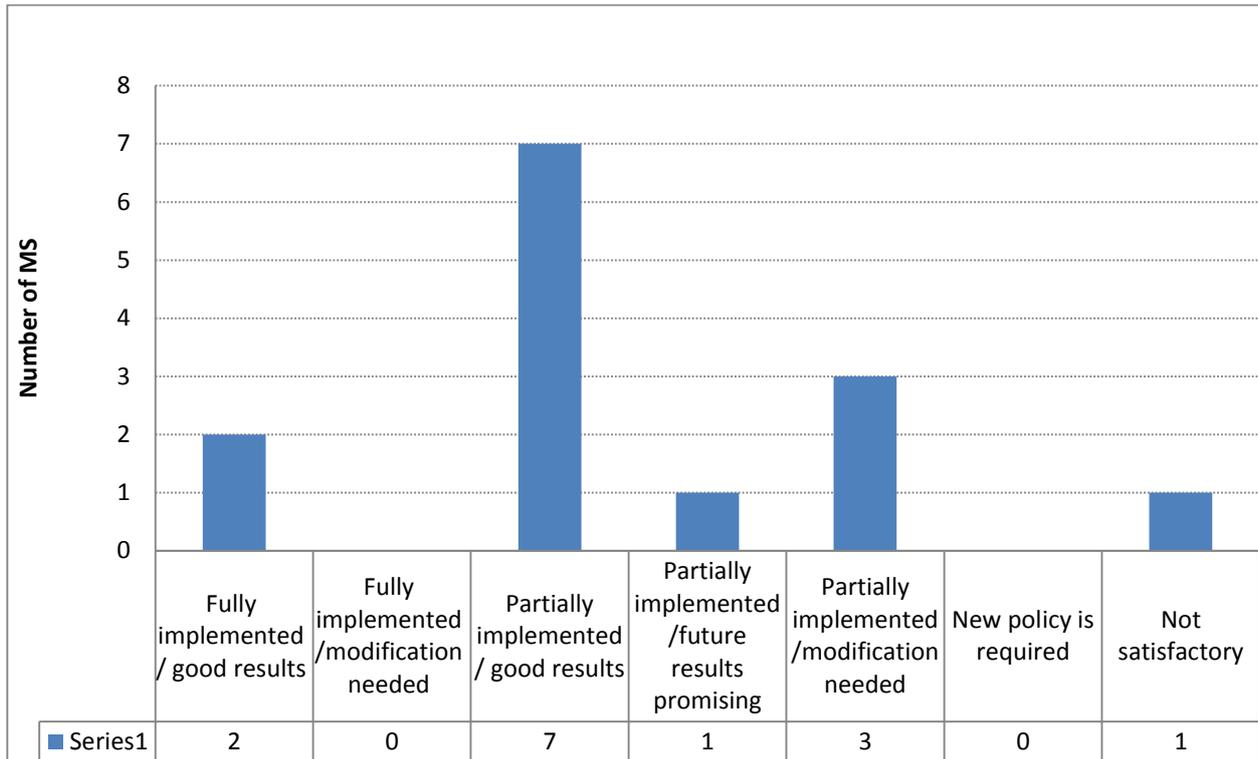
Only one EU MS answered this question, the United Kingdom. They state that the advances under the FLEGT Action Plan, and particularly the advances in VPA negotiations have helped to secure a focus on **forest governance** in the context of tackling deforestation, and in particular in the framing of REDD+ strategies and need for **broad stakeholder consensus building**.

Implementation and coordination

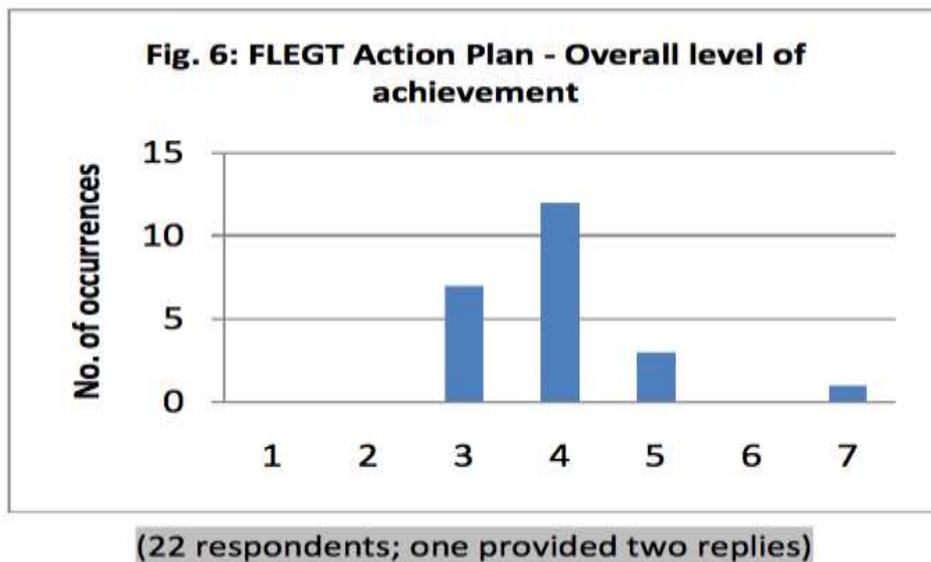
Q56 In your perception, how advanced is the overall implementation of the FLEGT Action Plan (overall, so beyond your own country)? N=14

Eleven respondents find the Action Plan partially implemented, and seven of these consider that FLEGT AP is delivering good results, one expects promising results and three think modification of the Action Plan is required to achieve results. Two respondents are very positive and state that the Action Plan is fully implemented and is delivering good results (HR and LU). One EU MS finds implementation not satisfactory. However, none of the responding EU MS thinks a new policy is needed.

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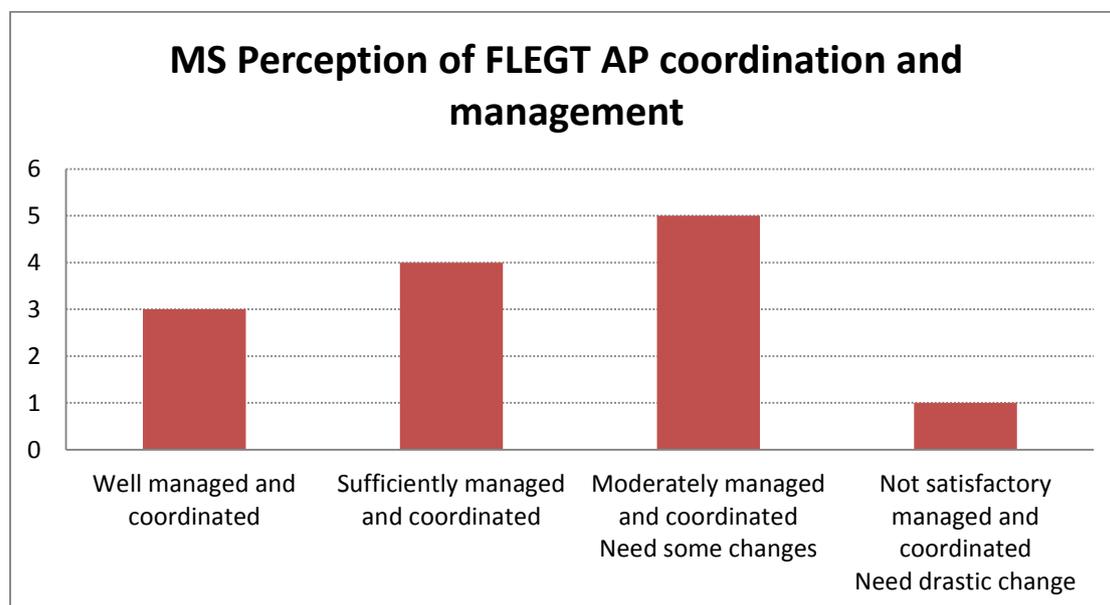


When comparing these answers with the answers of the Progress Review 2010, we see that the respondents answer in more or less the same categories (categories 3, 4 and 5) but the answers moved in 2015 towards the more positive side: The main share of respondents see good results in 2015 where the majority in 2010 still saw promising results.



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Q57 In your perception, how effectively has the FLEGT AP been managed and coordinated (overall, so beyond your own country)? N=13



Perceptions on coordination and management vary, with 7 respondents on the more positive side, and 6 respondents more on the negative side.

Q58 Please explain the main challenges –if any- in the implementation, management and coordination of FLEGT AP and how these could be overcome?

Some EU MS make distinctions between the different Action Areas: Action Area 1, 2 and 3 seem to be coordinated to a certain extent, while the other Action Areas are missing coordination, and the overall coordination of the AP is missing. Some countries think better coordination, planning and simplification are needed.

Area 1, 2 and 3 well managed - less obvious for other areas (DE)

Overall coordination AP is missing (DE)

Links and coordination of FLEGT AP with other EU policies, DGs, FAO and other consumer countries needed. Opportunities there (NL, BE)

Need for a clear, simple and transparent management structure with a working plan and priorities (NL)

Lack of personal and financial resources for implementation and communication (AT, SL, LU)

Need for coordination between EU and EU MS (UK)

FLEGT AP too complex, beyond EU and EU MS processes and competences (esp. private sector part) (SK, FI)

Better tools needed for assessing AP (FR, UK)

PPP needs EU overall coordination (DE)

Conclusions on implementation and coordination

Although the answers are not always consistent, the majority of the respondents is satisfied with the level of implementation and the results of the Action Plan. The same is partly true for the management and the coordination, although quite some recommendations for improvements have been made.

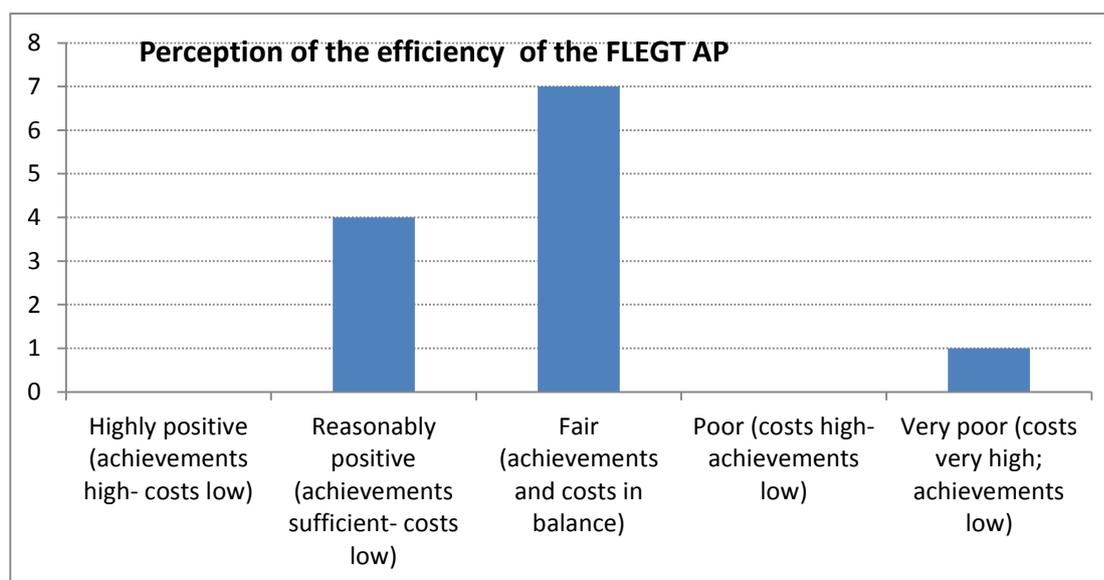
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Efficiency

Q59 If you compare achievements with inputs/costs (in financial terms) over the years, how would you consider the relation between benefits and costs? n=12

Most respondents consider the efficiency as reasonable or fair (11), while one country perceives it as very poor.



Actors and factors influencing implementation and achievements of the EU FLEGT AP

Q60 What have been the main actors and factors that influenced the implementation and achievements of the FLEGT AP and its seven action areas (positively and negatively)? N=13

In general the respondents provided a lot of information for this question. However, all EU MS mentioned different actors and factors, hardly any overlap, and sometimes-contradictory argumentations. **General factors and actors that influenced (neither positively nor negatively)** included the observation that the EC used two different VPA approaches: 'In African countries a basic agreement was sufficient to sign a VPA, but in Asia (like Malaysia) the EU will only sign when there is much more clarity and guarantees about the way how the VPA will be implemented.'

Factors and actors that were mentioned to **negatively influence** the EU FLEGT AP included the complexity of the AP, the fact that FLEGT licenses do not always comply with EU MS PPP, and the low economic value of forest compared to the value of e.g. palm oil production.

Positive factors and actors mentioned included the use of legally binding instruments (like the EUTR and FLEGT regulation) to get long lasting engagements in times of complexity and many things to do; reputations of big industry actors; pressure of NGOs; strong support of those EU MS with high import and ODA interests, focus on legality (ensures national ownership); good coordination and collaboration between EC and EU MS; multi stakeholder engagement, loose framing of the Action Plan (enables to move forward without 100% alignment), broad objectives enables to calibrate actions, the expertise and financial resources of the EU and the good communication. Last but not least: The EUTR positively influences the interests for the VPA.

Action area 1 Support to timber producing countries

The multi-stakeholder engagement in the negotiation process was mentioned twice as a factor that

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positively influenced governance. Another positive factor that was mentioned was the focus on legality (versus sustainability) that helped to ensure the process had national ownership. The inclusion of the T of trade and commercial interest is said to have prolonged engagement of the actors. AA1 also profited as perceived from direct linkages of the AP to ODA activities, financed by EU MS and the EU, and from the consistent and long-term commitment by the Commission and the EU MS to engage third countries in the negotiations. Then the VPA processes are said to be influenced by the level of corruption in the producing countries and the commitment of the VPA countries was influenced by domestic political changes and the length of the VPA process.

Action area 2 Trade in timber

Positive actors and factors: The changes to the legislative framework in the EU are said to have impacted the norms in the timber trade in general. Also the good collaboration between different departments was mentioned at both national and EU level, as well as commercial interest to keep PS involved, and to have public exposure.

Negative factors: Certain EU producing countries with well organised forest owners are said to have been reluctant to the implementation of the EUTR. Then there was a perceived low publicity, low capacities and poor interests among operators, and an uneven implementation that could harm the EUTR.

Action area 3 Public Procurement Policy

Finland used the PPP to highlight the issue of legality of timber and to promote the use of sustainably produced timber. This seemed to have shifted the attitude of PS and the public. In the UK the use of the PPP supported in setting new standards for the broader industry, in close cooperation with some other EU MS like the NL, and DK.

Action area 4 Private sector initiatives

Ownership by and empowerment of the private sector to follow its own initiatives and to follow good practices was mentioned as one of the positive factors influencing the Action Area, while another EU MS observed that actually the link between private sector initiatives and the AP was sometimes weak. This issue of absence and/or limited interest of the private sector was mentioned more than once. It seems that the UK is an exception.

Action area 5 Finance and investment

The only remark made here was that this action area seems to be out of scope of the EC.

Action area 6 Existing legislative instruments

No remarks.

Action area 7 Conflict timber

Chatham House and Forest Trends are mentioned here as actors that influenced this action area.

61a How did/do the actions areas complement each other and create synergy, and how did they contradict each other? How could synergy be improved? N=13

Various EU MS (4) mention the perceived synergy of **the VPA and the EUTR** (also phrased as action area 1 and 2) (DE, NL, FI, CZ). However, due to the slow progress and the complexity the EU markets is also said to start loosing its attraction. Another side effect of the VPA processes is that tropical timber has a negative reputation and demand has dwindled (NL). The synergy between the VPA and the EUTR is still a perceived one: Finland is suggesting to analyse how VPAs and the EUTR could better complement each other. Another suggestion is to use the VPAs to attract investments from the private sector.

A general remark is that the demand side measures and the supply side measures create a strong

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synergy, which is key to the whole FLEGT Action Plan (UK). Others state that actually only action area 1 and 2 complement each other, and not necessarily the other action areas (CZ). Suggestions are made to link the PPP, Finance & Investment and sustainably produced timber to the EUTR as well.

The PPPs could negatively influence the FLEGT licenses if the PPP does not recognise FLEGT licenses (NL), while another EU MS (LU) stresses the influence of PPP on FLEGT licenses when FLEGT is recognised.

Other suggestions for synergy include 'synergy could be generated within action area 2 by one overall evidence system for timber/timber product imports within the EU (CZ).

Q62 FLEGT has been cited as a good example of policy coherence and of added value⁴ of collaboration between Member States and the Commission. Do you agree or disagree? Where do you see policy coherence and where is policy coherence missing? What added value do you see, and where is a lack of added value? Please describe briefly, with evidence. n=13

In general the respondents agree that within FLEGT there is policy coherence and added value of collaboration between the EU MS and the EU, except for Belgium. They state that policy incoherence can be found in its design since we offer **systematic border control under FLEGT Regulation (for countries with VPA) and no border control at all under EUTR (countries not cooperation with EU)**.

Examples of policy coherence that are mentioned include the EUTR guidance document that was shared among the EU MS, and exchanges between the CA. Added value is seen in the mandate of the EU for trade, while the EU MS play the roles of donors, and support the private sectors and the NGOS. Coherence and added value is seen by one of the EU MS in the first two action areas and not so much in the others (DE).

Added value may decrease when more and more active EU MS will be facing shrinking ODA budgets.

Main conclusions PART II - PERCEPTIONS ON ACHIEVEMENTS

Conclusions on Action Areas

Action Areas 1 Support to producing countries, 2 Trade in timber and 3 Use of Public Procurement Policies are mentioned by the majority of responding EU MS as achieving results (resp. 19, 21 and 13 Member States). The responding EU MS find especially Action Area 2 Trade in timber to be achieving results. The number of EU MS that answered the question on what action areas do not achieve results is rather limited (n=8). Those that answered this question indicate that Action Area 6 Existing legislative instruments and 7 Conflict Timber are those perceived as achieving less results.

Under **Action Area 1 Support to producing countries** the main achievements mentioned include the **stakeholder engagement process (4 respondents)**, the start of a **policy dialogue to improve forest governance (4)**, the development of a **TLAS (4)** and two mentioned improved **transparency**. Non-achievements include 'No TLAS/no FLEGT licenses' yet.

Achievements mentioned under **Area 2 Trade in timber** mainly refer to the EUTR, like **increased collaboration within the EU on implementation of the EUTR**, and the fact that the EUTR is being implemented in almost all countries, which is in itself quite an achievement for a number of EU MS. Others state that it is too early to assess results, that the EUTR still needs reinforcement, and that it has not yet had an impact on trade patterns.

⁴ Added value refers to the additional benefits from collaboration between Member States and the Commission as opposed to benefits from Member States' individual activities.

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Area 3 Use of Public Procurement Policies: Two EU MS state that PPPs have created awareness and changes in the timber industry, both in producer and in consumer countries.

Area 4 Private sector initiatives: Nine EU MS indicate this is an area that produces results. Three of them see changes in certification practices within the industry and two see increased awareness and norms. One EU MS sees improved collaboration between the private sector in consuming and producer countries. One EU MS states that the private sector will not be really interested in embarking on private sector initiatives if there are no clear financial incentives.

Area 5 Finance and investment Six EU MS indicate they see achievements in this area. They see a growing awareness to build in safeguards into investments, and see some financial institutions moving towards codes of governance and CSR. One EU MS claims that FLEGT Action Plan is not the appropriate instrument to work on this area.

Area 6 Use of Anti-money Laundering and other existing legislative instruments: Only two EU MS see achievements in this area while five do not. Reference here is made to the inability to apply domestic jurisdiction to crimes committed abroad.

Area 7 Conflict timber: EU MS do not see any achievements in this area. Some EU MS refer to the complexity of the issue, while others think it goes beyond their own competences and should be dealt with by the UN or the EU.

Conclusions on implementation and coordination

Although the answers are not all consistent, the answers indicate that the majority of the respondents seem satisfied with the level of implementation and the results of the Action Plan. The same is partly true for the management and the coordination, although quite some recommendations for improvements have been made.

Actors and factors influencing implementation and achievements of the EU FLEGT AP

General factors and actors: Factors and actors that were mentioned to **negatively influence** the EU FLEGT AP included the complexity of the Action Plan, the fact that FLEGT licenses do not always comply with EU MS PPP, and the low economic value of forest compared to the value of e.g. palm oil production.

Main positive factors and actors mentioned include the use of legally binding instruments (like the EUTR and FLEGT regulation) to get long lasting engagements; the stakeholder engagement and the pressure of NGOs; and the flexibility of the Action Plan.

PART III - FUTURE OF THE FLEGT ACTION PLAN

Q63 In the light of developments and trends in international forestry and land use since 2003, to what extent are –in your view- the objectives and actions of FLEGT AP still relevant, now and in the years to come? n=19

All respondents confirm that the objectives and actions of the FLEGT AP are still highly relevant. Many EU MS do not so much frame the relevance of FLEGT in terms of reducing illegal logging and/or trade, but in terms of contributing to improved forest governance to fight deforestation (and to sustainable forest management) (DE, NL, ET, AT, SL, UK, IE, BE, FI).

Pressure on forests has only increased since 2003, and some EU MS also mention new threats like the conversion of forests into agricultural land and the emergence of new markets like China and India. The question raised by the UK is whether this requires a separate new action plan or should be taken up by the EU FLEGT Action Plan.

Q64, 65, 66 What would be your overall recommendations to improve the relevance, effectiveness

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and efficiency of the FLEGT AP into the medium-term future (2020)? N=15

The first strong signal coming from the answers of the questions is that focus should be maintained on finalising things first and keep that what is good: Ensure a full implementation of the EUTR (FR, AT, DE, FI, LV) and make sure first FLEGT licenses enter the market (UK, HR, CZ, FI and DE), and continue with the initial objective of FLEGT –Forest Governance (UK, BE). Two EU MS explicitly state that no major revisions are needed at all (AT and HR).

On supply side measures To improve the programme on the supply side the following suggestions are made: More focus on support to the private sector in producing countries, and not only support 'legality' but also improve the quality of products, processing and access to markets and the inclusion of the informal domestic and artisanal market into VPAs (DE), to recognize and increase the role of certification schemes into VPA processes (DE), more focus on SFM (DE, ET), and focus on those countries that deliver a significant amount of timber to the EU and put on hold those VPA countries that do not progress (NL) . One EU MS suggests expanding the number of VPA countries (HR). For VPA countries: Explore where synergy can be created on governance issues in producing countries with other programmes so as not to overburden countries (DE).

On demand side measures Besides the need for better implementation of the EUTR, EU MS suggests to develop the collaboration between Competent Authorities, the EC and other Stakeholders (IR, BU, FI82) and to increase involvement of NGOs and the private sector (BU), to increase financial and human resources (LU), to increase awareness (LU), to reduce administrative burdens (LU, FI), to improve communication (SL), to establish an EUTR exchange platform (AT) and to recognize and increase the role of certification schemes (DE).

Other recommendations

To gain relevance EU MS suggest to link FLEGT with agricultural deforestation/ conversion/ the ecological food print, and other drivers of deforestation like wood energy/charcoal (DE, UK, LU), and to use FLEGT as a tool for other policy areas like REDD, biodiversity and climate change (NL, UK, BE, DE, AT).

To operate more effectively EU MS suggest to better ally with other consumer countries like Japan, China, Korea, the USA and Australia (DE, NL), to strengthen cooperation between producing and consuming countries (SL), to ensure progresses in the other areas (besides EUTR and VPA) of the FLEGT Action Plan (FI), to make FLEGT an integral part of all EU actions focusing on international forest policies (NL), to get more political support at all levels (BU, FI) and to get better overviews of actions carried out (NL) to ensure better coordination.

To operate more efficiently and to make better use of resources First of all, one EU MS (UK) makes the statement that FLEGT has been implemented very efficiently already, though further improvements could be made: At present the model relies heavily on coordinating bilateral programmes, which are resource intensive and result in piecemeal coverage (UK). EU MS suggest to re-engage more EU MS donors in supporting the action plan (UK), to develop a multi donor trust fund to reduce the costs (UK), and to pool resources (as the UK currently does with France, EU and Norway)(UK), to encourage multilateral initiatives especially the development banks to support the development aspects of FLEGT (UK). Increase in-country and regional presences and relying less on a central, international pool of staff (UK).

Q67 As far as policy coherence and added value of collaboration between Member States and the Commission are concerned: What could be done to improve coherence and added value? N=12

Three EU MS state there is no need for improvements (HR, SL, LU). Others come with suggestions for policy coherence and added value on both demand side and supply side measures.

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Belgium made an important comment under Q62: “(There is) Policy incoherence in its design since we offer **systematic border control under FLEGT Regulation** (for countries with VPA) and **no border control at all under EUTR** (non-VPAs). (And there is)Policy incoherence in its implementation within EU.” (BE)

For **demand side** coherence and added value EU MS suggest that first of all an even implementation of the EUTR is needed throughout the EU (HU, AT), through sharing experiences on controls and implementation (FR). The EC could take more responsibility and support the smaller EU MS with little personnel resources (DE), to put pressure on EU MS without PPP (DE).

For **supply side measures** EU MS suggest to improve and centralize information on producer countries (FR), especially on who is doing what and where (NL), and to strengthen the coordination of FLEGT related activities supported by the Commission and EU MS in timber producing countries (FR).

Trade policies One EU MS states that a better connection with International Trade policies is needed (BE).

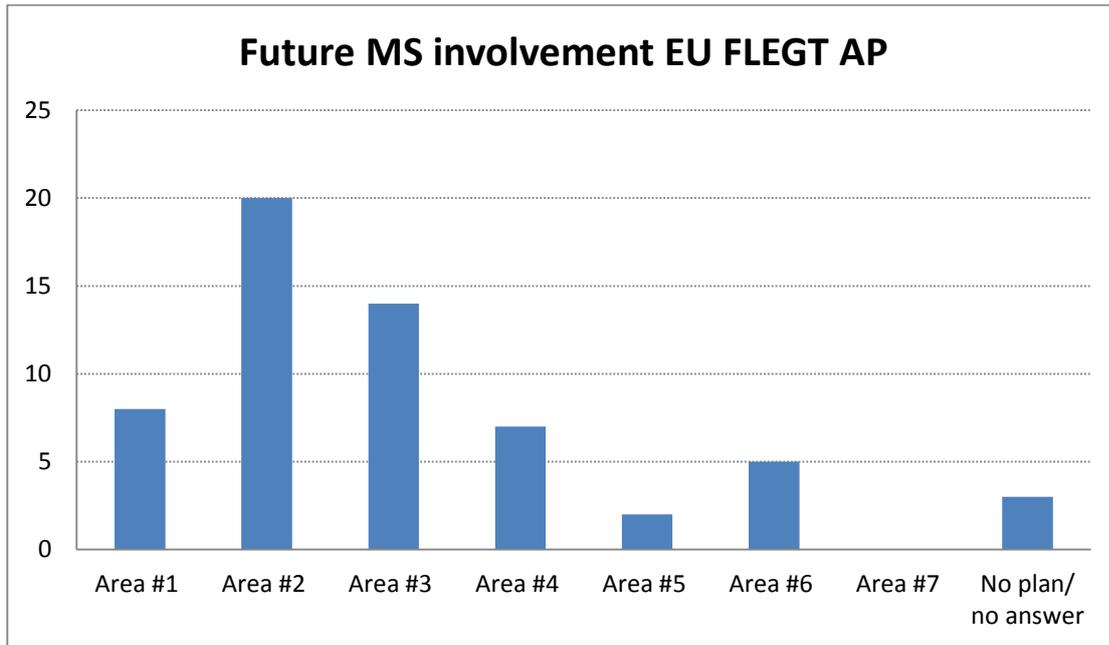
Coherence with deforestation goals One EU MS states that “similarly ambitious efforts are required to address other drivers of deforestation, and the Commission and EU MS should work together to identify ways of bringing the same degree of coherence to finance to stop deforestation (including climate finance) and consumption of products associated with deforestation. The FLEGT Action Plan can and should help to inform these efforts. That does not necessarily mean replicating a FLEGT approach, but the experience of developing policy coherence across development cooperation, trade, customs, procurement offers valuable insights.” (UK)

Q68 In what ways could the FLEGT AP or its instruments be used to tackle other issues in other sectors? N=10.

In earlier questions EU MS already referred to the use of FLEGT tools, like stakeholder engagement and governance strengthening mechanisms, in REDD+, and programmes that combat conversion into agricultural land (Ecological Footprint, Deforestation-free food) (NL, UK, BE, DE, AT). Here some more suggestions are made, for example including the multi-stakeholder approaches, connecting demand and supply side measures for the various round tables (Palm oil, soy, possibly cocoa) (NL), and/or for development programmes in general (UK, ET), or use Due Diligence approaches for other supply chains (FI), and to use these tools for other forest related programmes that move beyond illegality (FR), or other sectors (UK) like mining (HU).

Q69 Beyond 2015, does your government plan to maintain or develop actions in support of FLEGT AP? N=21

Annex: 4 - Results of the written consultations Results of EU Member States' Survey

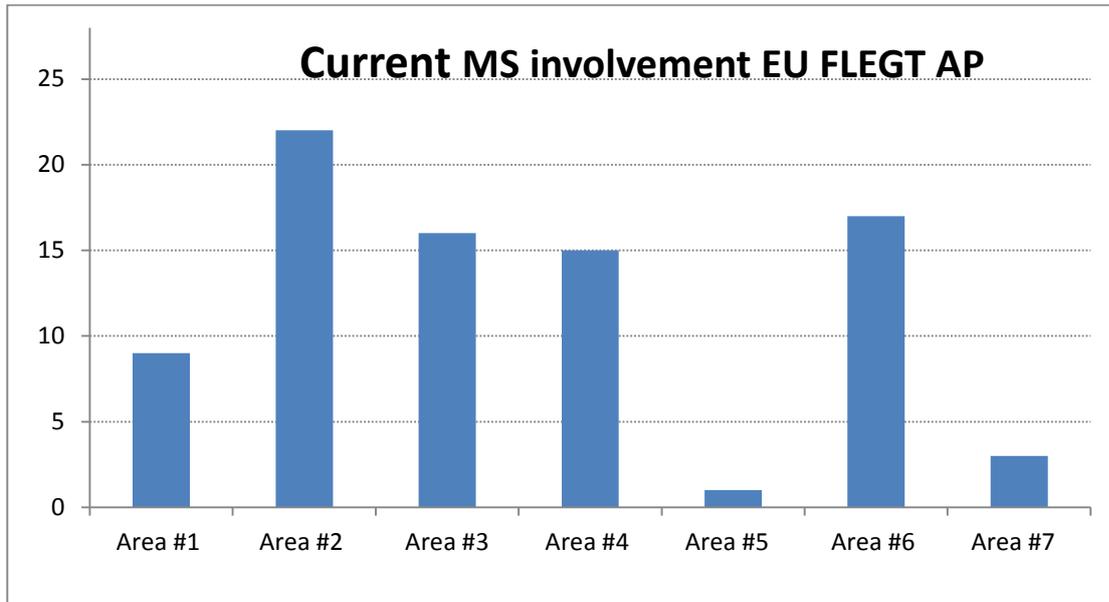


Two respondents did not answer this question (HU, GR) and Italy state they cannot answer due to reorganisations in the departments, while Denmark cannot answer the question since they are changing governments. All the other respondents state they will be in one way or another involved in one or more action areas.

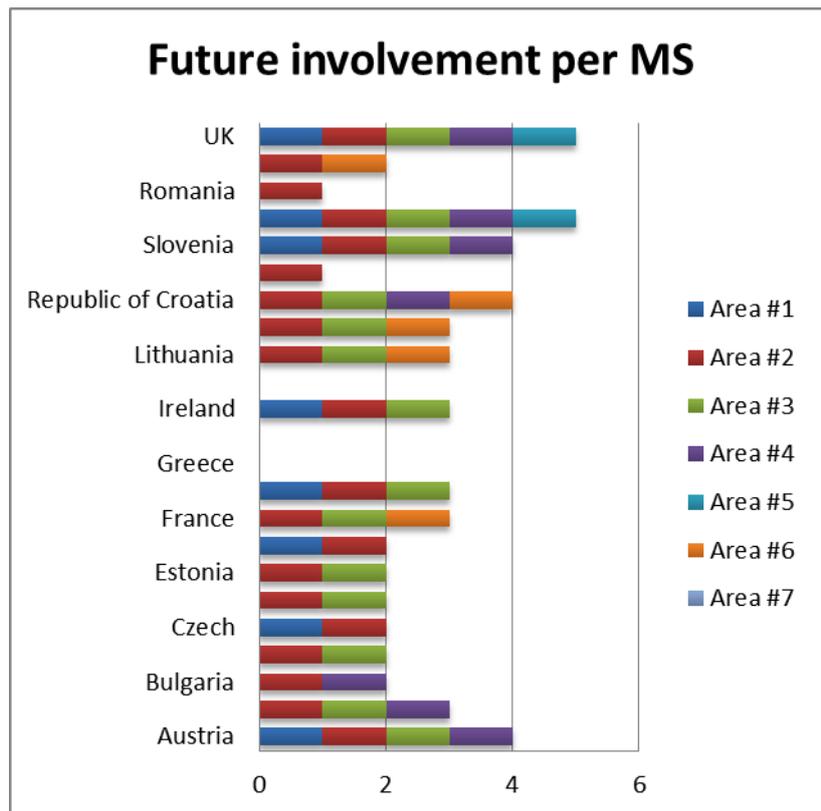
When comparing the future involvement of EU MS in the various Action Areas compared with their current involvement, there is a strong decrease in both Action Area 4 and Action Area 6. With regard to Action Area 6 this seems rather plausible, since quite a number of EU MS explored how Money Laundering and other existing legislation could be used. Many of them concluded that using ML for forest crimes was a challenge. For Action Area 4 the decreasing number is surprising since from various sides it was stated that inclusion of the private sector is key for the success of the programme, although not many PS in the EU showed much interest (NL), except for the PS in the UK. Action Area 7 disappeared from the table, although Global Witness once again showed the importance to work on this area through the publication of 'Blood Timber'. Some EU MS mention that Conflict timber is an issue that should be addressed at the EU level and not at EU MS level.

Given the importance of Action Area 1 for the EU FLEGT AP, the number of EU MS planning to support this Action Area is limited.

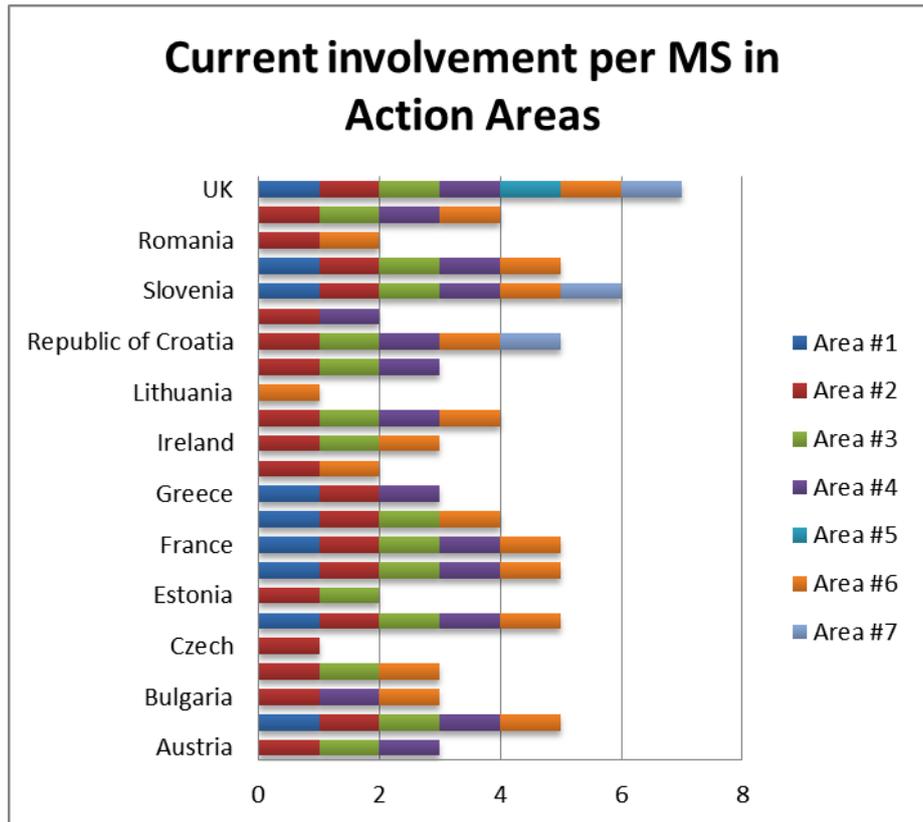
Annex: 4 - Results of the written consultations Results of EU Member States' Survey



When comparing the current and future involvement per EU MS, almost all EU MS indicate they will either reduce or maintain the same level of involvement in the future. Only Lithuania and possibly Austria and the Czech Republic indicate they will be involved in more action areas than before.



Annex: 4 - Results of the written consultations Results of EU Member States' Survey



With regard to Action Area 3 Public Procurement Polices a number of countries (DK, NL, UK, DE, LU and BE) are developing an initiative to share their experiences with their PPP. Based on their experiences they want to stimulate the EU to develop a European PPP.

Q74 Would you like to provide any additional information or comments with regards to future FLEGT actions? N=2

Two countries indicate they want a more global orientation of the Action Plan, including emerging markets, multilateral and global approaches to work on improved governance and law enforcement: UK: 'As part of the process to 'renew' attention on FLEGT Action Plan, it will be important to reflect with that global community of practice: the current Action Plan is too narrowly positioned as an 'EU thing' that somehow excludes other players -- whether the US or China. Further concerted efforts are required to engage with emerging markets, particularly learning from their efforts to improve governance and law enforcement.'

FI: 'It could be worthwhile for the EU to contemplate possibilities for new multilateral and/or global approaches addressing legality, especially considering the changing global market of timber and timber products where the share of EU has significantly decreased since the establishment of FLEGT AP in 2003.'

Main conclusions PART III - FUTURE OF THE FLEGT ACTION PLAN

When comparing the current and future involvement per EU MS, almost all EU MS indicate they will either reduce or maintain the same level of involvement in the future.

All **EU Member State** respondents believe that the objectives and actions of the FLEGT Action Plan are still highly relevant. Many EU MS frame this in terms of contributing to *improved forest*

Annex: 4 - Results of the written consultations

Results of EU Member States' Survey

governance to fight deforestation, and to sustainable forest management rather than just reducing illegal logging and/or trade. The responses also refer to an ever-increasing pressure on forests since 2003 and particularly to new threats like the conversion of forests to agriculture and to the emergence of new markets like China and India. A question raised by one EU MS is whether these require a separate new action plan or can be accommodated by the existing FLEGT Action Plan.

Recommendations of the respondents for the future

The first strong signal given by respondents (10) is that the focus should be on finalising on-going actions first and on keeping the areas which are perceived as most effective: Ensure a full implementation of the EUTR (5) and make sure first FLEGT licenses enter the market (5), and continue with the initial objective of FLEGT –Forest Governance (2). Two EU MS explicitly state that no major revisions are needed at all.

Supply side measures: Recommendations given for supply side measures are very diverse and individual measures are in general not mentioned by more than one EU MS, except for 'more focus on Sustainable Forest Management' (2).

Demand side measures: Besides the need for better implementation of the EUTR and various issues mentioned only once, three EU MS suggest developing collaboration between Competent Authorities, the Commission and other stakeholders.

To gain relevance, three EU MS suggest linking FLEGT to agricultural deforestation / conversion / ecological footprint tools, and other drivers of deforestation like wood energy/charcoal. Five EU MS suggest using FLEGT as a tool for other policy areas like REDD+, biodiversity and climate change.

To operate more effectively two EU MS suggest to better ally with other consumer countries like Japan, China, Korea, the USA and Australia, besides single mentioned suggestions like 'to make FLEGT an integral part of all EU actions focusing on international forest policies' and 'to get overviews of actions carried out to ensure a better coordination of activities'.

To operate more efficiently and to make better use of resources, one EU MS states that 'FLEGT has been implemented very efficiently already, though further improvements could be made: At present the model relies heavily on coordinating bilateral programmes, which are resource intensive and result in piecemeal coverage'. Also the suggestion is given to develop a multi donor trust fund to reduce the costs and to pool resources (as the UK currently does with France, EU and Norway), and to encourage multilateral initiatives especially with development banks to support (developing) partner countries.

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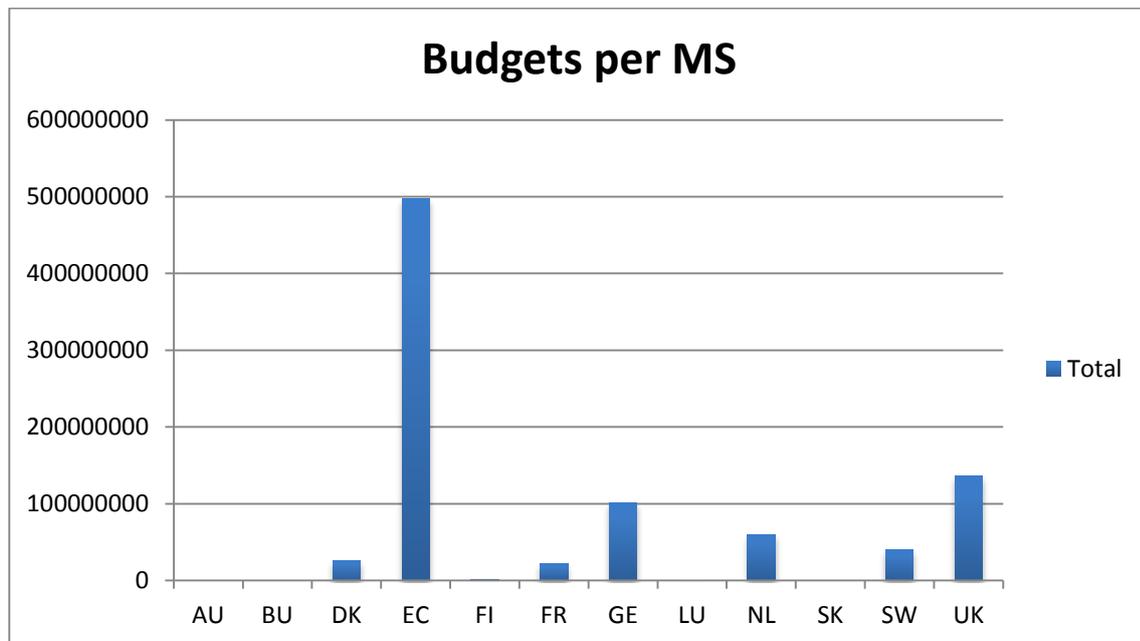
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Additional analyses on investments (both EU MS and EC)

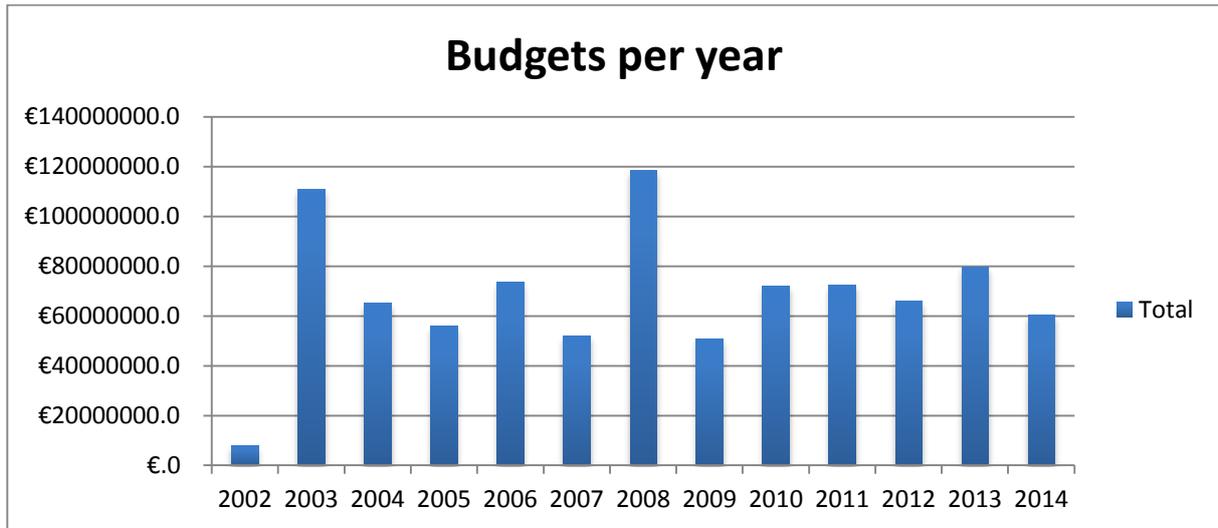
Overview of budgets per EU MS and EC



Main investors are the UK and Germany, followed by NL, SE, DK and FR. Once again, this gives food for thought on the broadness of support of the EU MS for the Action Plan.

Overview investments by EC and EU MS per year of commitment

Annex: 4 - Results of the written consultations
Results of EU Member States' Survey



Two peaks can be seen: The first in 2003 when the EU FLEGT Action Plan was initiated and the second in 2008.

Annex 4: Results of the written consultations VPA countries' survey

Results VPA countries' survey

Introduction

The VPA survey was carried out as part of the EU FLEGT Action Plan Evaluation 2015. It aimed to collect views from key respondents in relevant departments of governments in VPA countries.

The survey was designed in order to better understand:

- Who is involved in the EU FLEGT Action Plan/VPA process in the given VPA partner country;
- What actions are / have been conducted for EU FLEGT Action Plan/VPA, under what budgets (national, bilateral and/or multilateral support);
- What has worked well (achievements), what has worked less well (challenges) and through what mechanisms;
- How the process is contributing to the EU FLEGT Action Plan's main objectives and higher objectives [reduction of illegal logging and trade, improvement of forest governance, sustainable forest management, poverty reduction and sustainable development];
- Views and recommendations for future action.

The survey consisted of a mixture of closed and open questions. Between April and September 2015, 11 VPA countries returned a filled-in questionnaire either online (through EUSurvey, one of the EU survey sites), or through a word survey. Ghana, Indonesia, Malaysia, Vietnam, Cameroon, Central African Republic, Cote d'Ivoire, Republic of Congo (Brazzaville), Liberia, Honduras and Thailand have returned the questionnaire.

Responses to the questionnaire were systematically analysed. A first simple analysis was made using EUSurvey that provided per closed question the number of responses and percentages of the categories of answers. The team exported the data into excel for additional analyses (including analyses per VPA, action areas etc.). Responses to open questions were reviewed, categorised and analysed by two team members independently.

In this document ***the results of the survey*** are presented in five chapters, following the set up of the questionnaire.

Annex 4: Results of the written consultations VPA countries' survey

General Information

Responses & completeness

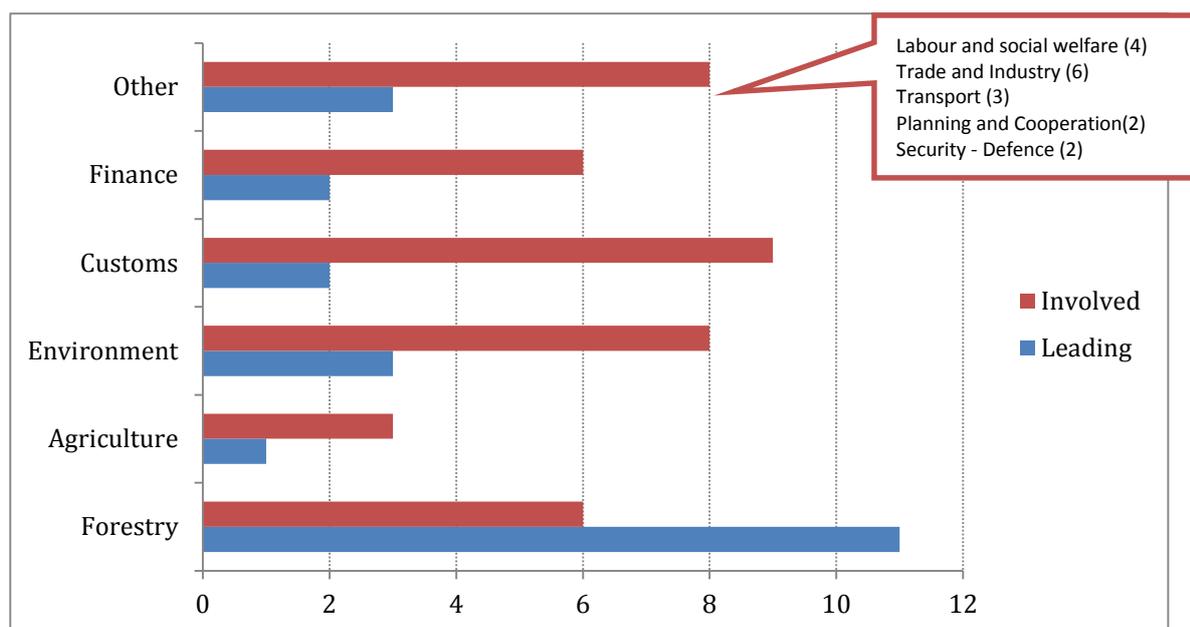
Responses: Of the 16 VPA countries, 11 returned the questionnaire: All six implementing VPA countries returned the questionnaire (Ghana, Indonesia, Liberia, Cameroon, Central African Republic and the Republic of Congo) and five of the nine negotiating VPA countries (Cote d'Ivoire, Honduras, Malaysia, Vietnam and Thailand).

The **completeness** of the questionnaire refers to whether questions were answered or not. In total 50 questions were asked in the questionnaire. In general the questionnaires were answered rather completely.

Involvement in the EU FLEGT Action Plan/VPA process

5. Which department/ministry of your Government is currently **leading**/coordinating EU FLEGT Action Plan/VPA process? n=11

6. Which other departments/ministries of your Government are currently **involved** in EU FLEGT Action Plan/VPA process? n=10



In all responding countries Forestry is the **leading** department in the VPA process, sometimes together with other departments like Agriculture, Environment, Finance, Customs and others. Furthermore a large range of other departments is involved in the VPA process.

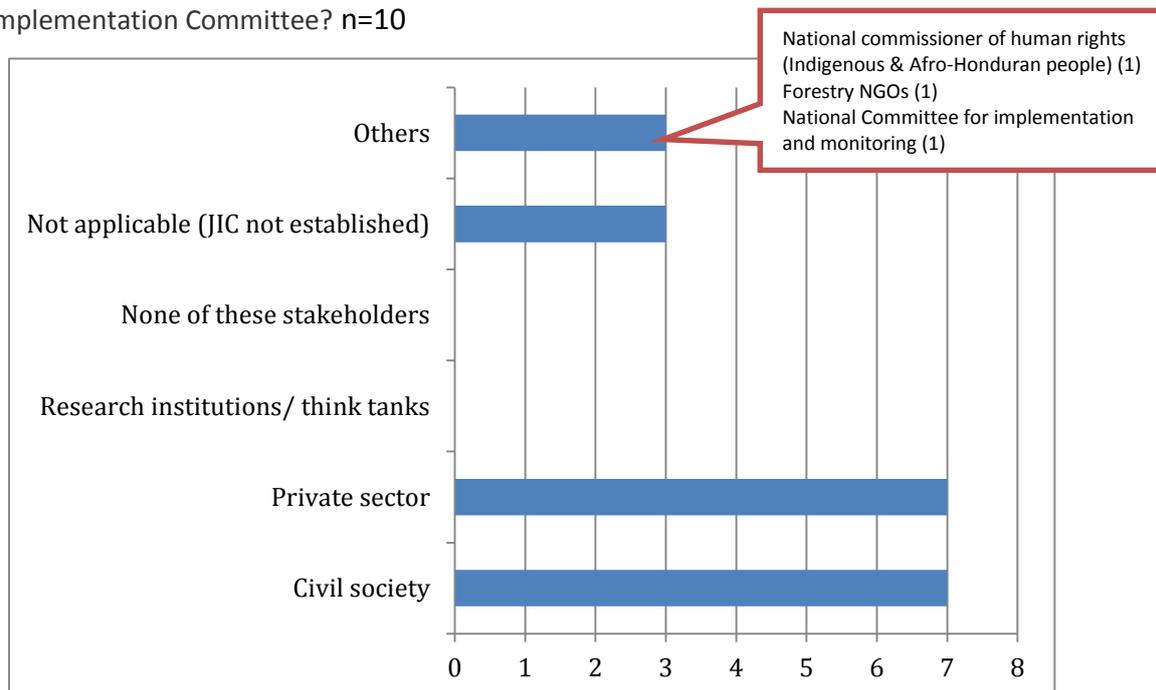
Annex 4: Results of the written consultations VPA countries' survey

7. Besides the Government, what other international, national and local actors are involved in EU FLEGT Action Plan/VPA process? n=11



In all responding VPA countries national NGOs and CSOs have been involved, and in ten VPA countries the private sector is involved as well.

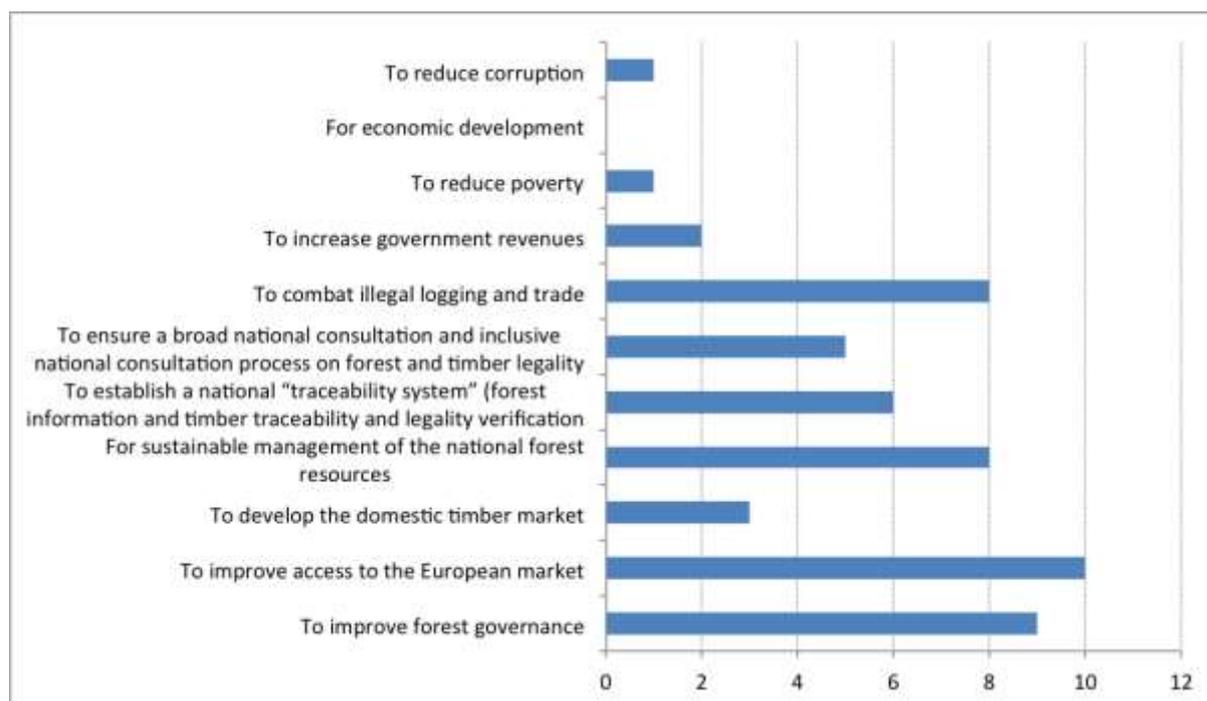
8. What other stakeholders than the government and the EU are represented in the Joint Implementation Committee? n=10



Of the countries that have established a JIC 7 have representatives of the private sector and civil society seated in the JIC.

9 What are the main reasons your country engaged in the VPA process? (Up to 4 choices only) n=11

Annex 4: Results of the written consultations VPA countries' survey



The four main reasons for engaging in the VPA process include 'to improve access to the EU market', 'to improve forest governance', 'to combat illegal logging and trade' and for the sustainable management of the national forest resources'.

Conclusion on involvement

The VPA processes in the countries are led by forest departments, sometimes in combination with other departments. In most countries a broader range of other government departments are involved as well. Non-state actors are involved in all VPA countries, and representatives of both the private sector as well as civil society are seated, whenever one has been established, in the Joint Implementation Committee. Main reasons mentioned to engage in a VPA process include 'to improve access to the EU market (10 respondents)', 'to improve forest governance (9)', 'to combat illegal logging and trade (8)' and 'for the sustainable management of the national forest resources (8)'.

Activities and budgets (national inputs, bilateral and/or multilateral support) assigned to EU FLEGT Action Plan/VPA.

15 Has your country received any external support (in-kind, technical or financial support) during the **negotiation of the VPA**? n=11

Yes	10
No	1

Cameroon indicated they did not receive any external support during the negotiations. This must be an error since Cameroon is one of the main receiving VPA countries.

16 Please provide information about the budgets and the year of commitment

Type of support (Technical assistance, Facilitation, projects...)	Donor	Year	Budget (in €)
Malaysia		Total	No data

Annex 4: Results of the written consultations VPA countries' survey

Consultation/participation	GIZ, NL, EFI		
Cameroon			No data
			-
CAR		Total	No data
LAS	UE/STABEX	2009	
Negotiation sessions	AFD	2009	
Cote d'Ivoire		Total	€1.005.575
Information sessions	ACP FAO FLEGT	2011	\$35.000
Consultation/participation	ACP/EU FAO	2013	\$ 204.407
Negotiation sessions	ACP FAO FLEGT	2012	\$98.660
LAS	EU FAO FLEGT	2012	\$ 137.386
Independent observation	EU FAO FLEGT	2014	\$ 254.000
Support PS	EU	2014	€413.834
Domestic market	EU FAO FLEGT	2014	\$ 50.526
Honduras		Total	No data
Facilitation			
Liberia		Total	No data
Consultation/participation			
Congo		Total	No data
Vietnam		Total	>€297.420
Facilitation EFI FF	2011,12,13,14, 15		
Technical assistance	EU FAO FLEGT	2013	\$64.000
Technical assistance	EU	2014	€247.500
Technical assistance	GIZ	2013	
Small-grant projects related to	FLEGT ENRTP FAO FLEGT UKAID	2013	
Indonesia		Total	€20.000.000
Technical assistance	UK	2007	€10.000.000
Technical assistance	UK	2009	€10.000.000
Ghana		Total	No data
Thailand		Total	€164.135
Technical consultant	FAO	2014	\$ 59.400
Administrative assistants	FAO	2015	\$ 28.020
Database officer	FAO	2015	\$ 28.020
Staff travel	FAO	2015	\$ 2.904
Equipment	FAO	2014	\$19.787
Operations	FAO	2014	\$3.240
Workshop/Training/Conference/Seminars, etc.	FAO	2015	\$31.795
Publication, etc.	FAO	2014	\$28.472
Technical Assistance	EFI/ FAO	2014	\$3.000

These data are far from complete. The respondents either did not have access to all information or are not in the position to share the information.

17 Has your country received any external support (in-kind, technical or financial support) during **the implementation of the VPA**? n=11

Annex 4: Results of the written consultations VPA countries' survey

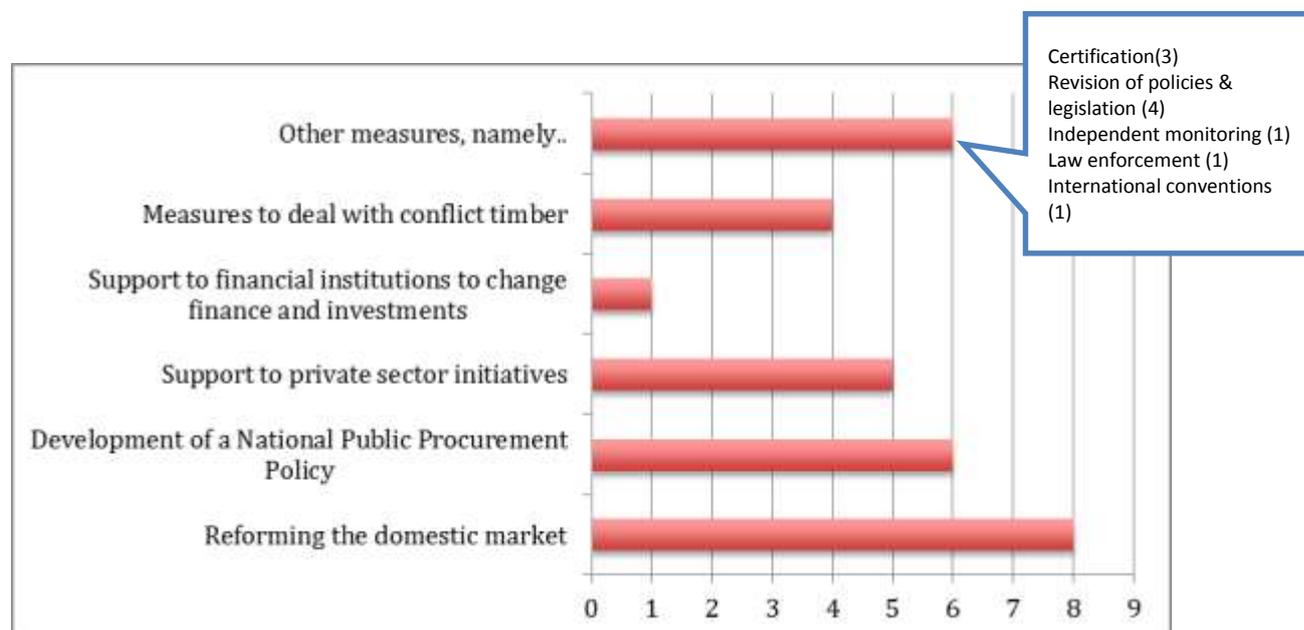
Yes	6
No	0
Not applicable (not entered the implementation phase)	5

18 Please provide information about the budgets and the year of commitment

	Type of support (Technical assistance, Facilitation, projects...)	Donor	Year	Budget (in €)
-	Cameroon		Total	€130.000
-	LAS	ACP FAO FLEGT/ EU FAO FLEGT	2011- 2013	\$ 179.622
-	CAR		Total	>€6.700.000
-	General support	EU	2012	€6.700.000 (not disbursed yet)
-	LAS	WWF	2012- 2014	
-	Information sessions	WWF	2012	
-	Liberia		Total	No data
-	TLAS	EU		
-	Congo		Total	No data
-	Facilitation	IDL/UK		
	Communication Consultation/participation	EFI/EU/AFD/INGO		
	Ghana		Total	€6.158.500
	Financial, UK, 2012-15	UK	2012	£5,000,000

These data are far from complete. The respondents either did not have access to all information or are not in the position to share the information.

19 What other measures (besides VPA process for export to EU) are undertaken to combat illegal logging and related trade in your country? n=11



Annex 4: Results of the written consultations VPA countries' survey

To develop the domestic market is not a reason to engage in a VPA (see question 9), but reforming the domestic market is one of the main 'other measures' to combat illegal logging. See for more information on the domestic market question 25. Other measures taken include the development of a Public Procurement Policy and Support to private sector initiatives, certification and the revision of policies and legislation.

21 Has your government provided any direct technical or financial inputs to the VPA process and measures mentioned above?

Yes	11
No	0

22 Please provide information about the budgets and the year of commitment

Type of support (Technical assistance, Facilitation, projects...)	Year	Budget (in €)
Malaysia	Total	No data
Consultation/participation		
Facilitation		
Advisors		
Dedicated FLEGT Unit		
Cameroon	Total	€192.000
Frais de déplacement pour la délégation chargée des négociations	2009/2010	
Facilitation	2014	67 000 000 FCFA (€102.000)
Facilitation	2015	59 000 000 FCFA ((€90.000)
CAR	Total	>€39.000
1 appui pour la tenue des réunions des négociations (session vidéoconférence, prise en charge des sessions de négociation) le compte d'affectation du fonds forestier	2009-2010	Ne peut être chiffré à cause pillage
2 appuis à la mise en œuvre de l'accord/sensibilisation des décideurs institutionnels	2012-14	€21.000
3. création et fonctionnement du STP en charge de la mise en œuvre de l'accord, versement des salaires et autres indemnités	2012-15	€6.000 / l'année
4. appui à la tenue des sessions de CNMOS et du CC-MO pour le sui de l'accord	2012-15	
5. mission d'évaluation des besoins en équipement	2012	
6. Test de terrain pour la légalité des entreprises forestières	2014	
Côte d'Ivoire	Total	€1.115.000?
la République de Côte d'Ivoire et l'Union Européenne	2013	
Financement du processus APV/FLEGT	2013	150 000 000 FCFA (€229.000)
Financement du processus APV/FLEGT	2014	300 000 000 FCFA (€458.000)
Financement du processus APV/FLEGT	2015	320 000 000 FCFA (€488.000)
Honduras	Total	No data
Liberia	Total	No data

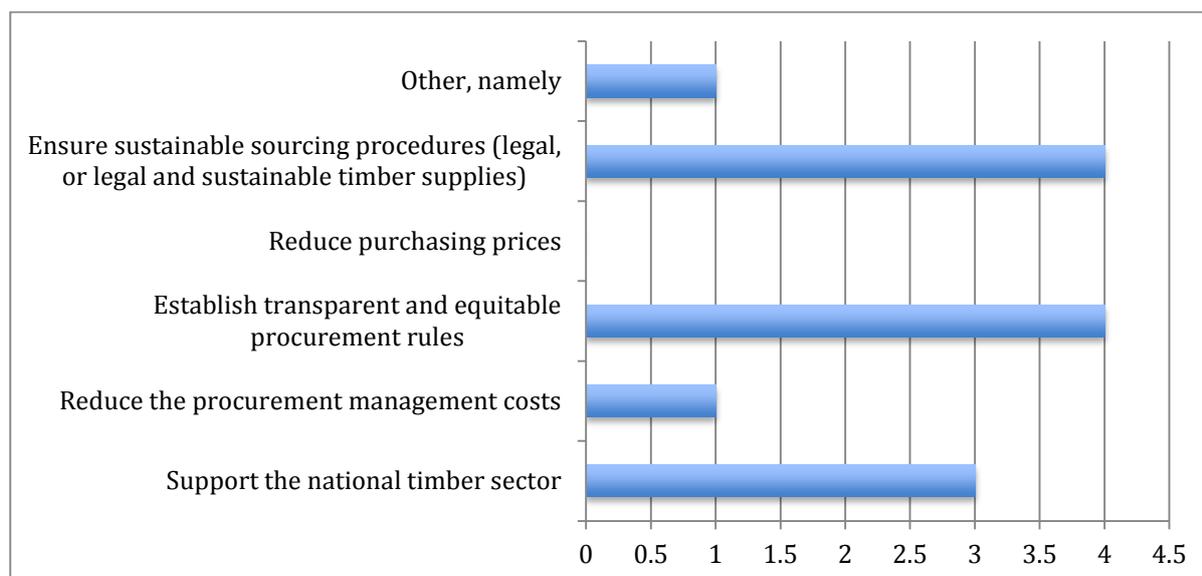
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	Dedicated FLEGT Unit		
Congo		Total	€1.800.000
	LAS		€1.800.000
Vietnam		Total	€56.000
	For FLEGT standing office	2011	€6.000
	For FLEGT standing office	2012	€11.000
	For FLEGT standing office	2013	€11.000
	For FLEGT standing office	2014	€11.000
	For FLEGT standing office	2015	€17.000
Ghana			No data
	Government has been the sole sponsor of the Timber Validation Department for the past ten years with a staff strength of ten		
Indonesia			€877.519
	Application SILK (export)	2013	Rp 1.5 billion (€95.000)
	Socialization (6 cities)	2014	Rp 900 million (€57.000)
	Application for SMES (exports)	2014	Rp 155 million (€9.821)
	Check/Investigation case (Pulbaket)	2014	Rp 200 million (€12.667)
	Maintenance SILK	2014	Rp 1.3 billion (€82.337)
	Maintenance SILK	2015	Rp 1 billion (€63.336)
	Meeting for import preparation	2015	Rp 300 million (€19.000)
	Technical assistant and facilitation	2013	Rp 5 billion (€316.681)
	Technical assistant and facilitation	2014	Rp 3.5 billion (€221.677)
Thailand			€95.737
	Partial contribution (RFD staff)	2014	\$90,000
	Office space	2014	\$30,000
	Utilities and office supplies	2014	\$6,250
	Cost of meeting	2014	\$3,125

These data are far from complete. The respondents either did not have access to all information or are not in the position to share the information. From the figures presented it becomes evident though that VPA countries invested considerable amounts of money, although compared with funding coming from the EU or the Member States the amounts seem relatively modest.

23 If your country has a national public procurement policy, what are the main purposes? n=6

Annex 4: Results of the written consultations VPA countries' survey



'Other' not detailed.

Six of the responding VPA countries indicated in question 19 that they have a Public Procurement Policy. The main purposes for these procurement policies are to establish transparent and equitable procurement rules and to ensure sustainable sourcing procedures.

25 If the domestic market has been included in the VPA: How does it affect the VPA process?

Eight responding countries (CM, CAR, Cdi, LB, CG, VN, GH, TH) mention the reform of the domestic market as one of the measures to combat illegal logging and associated trade (see question 19). This does not necessarily mean they all have or will include the domestic market in the VPA.

The implementing VPAs Ghana, Indonesia, Liberia, Cameroon and Congo (RoC) have included the domestic market in the VPA. These countries are still trying to come to grip with the domestic market. Cameroon sees the eradication of illegality in the domestic market as a challenge; Liberia states that the chainsaw millers are included in the VPA but that the system and process to do so is still under development; Congo (RoC) states that the traceability of wood of the domestic market remains to be established as part of the text of the Congo forest law; and in Ghana they see the inclusion of the domestic market as a necessity to tackle some of the drivers of deforestation and forest degradation, and as complementing the efforts done regarding the export of FLEGT licensed timber. The Central African Republic will include the domestic market at a later stage, but the respondents from CAR acknowledge how the domestic market (negatively) influences the VPA process: A lot of the illegal timber coming from the domestic market is being exported to Chad, and the VPA includes all exports to all countries. Besides they show how the domestic market will continue to influence the VPA process negatively because the (domestic) demand for wood is increasing.

The responding negotiating countries, including Cote d'Ivoire, Vietnam and Thailand show diverging responses: In Cote d'Ivoire studies are conducted to see how the domestic market could be included in the VPA, Thailand seems supportive of the idea to include the domestic market (simplifies trade with the EU, and will facilitate the VPA process), while Vietnam, mainly importing timber, stated during the survey that they did not want to include the domestic market in the VPA. They have a domestic market policy already to address illegalities in the domestic timber trade.

Annex 4: Results of the written consultations VPA countries' survey

Conclusions on activities and budgets

Budgets presented (received by both the EU MS and/or the EU) are far from complete. This gives the impression VPA countries either do not know and/or do not want to show what support they received. The same is true for their own investments in VPA related activities.

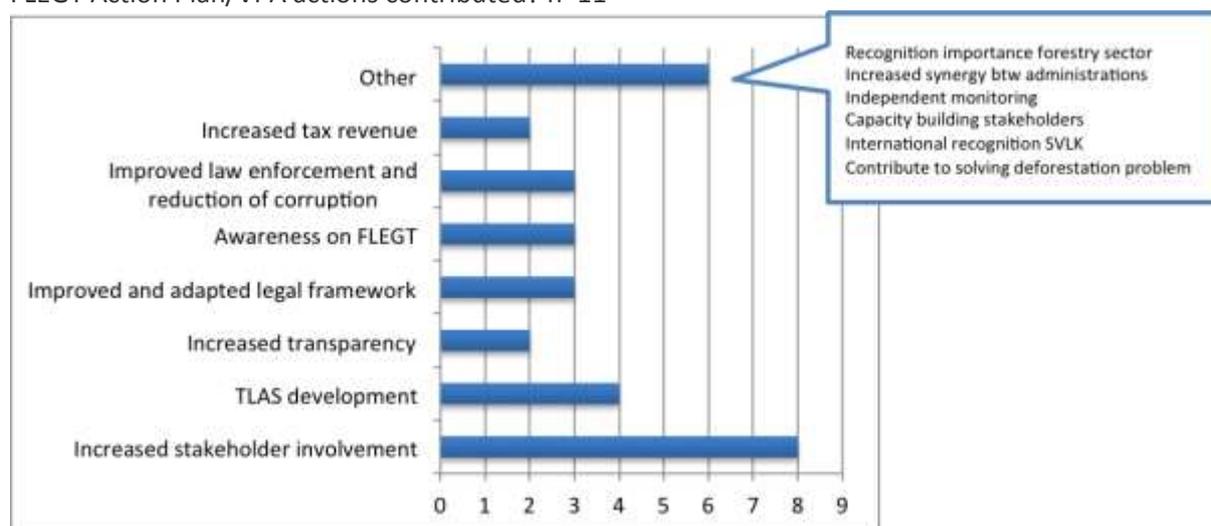
Besides embarking on a VPA, countries deploy other measures to combat illegal logging and trade, including reforming the domestic market (8 respondents), national public procurement policies (6), support to private sector initiatives (5), measures to deal with conflict timber (4) certification (3) and the revision of policies and legislation (4).

Although the inclusion of the domestic market is taken up in most VPAs, this is not evident for all VPA countries. The implementing VPA countries show in their answers how they are struggling with the inclusion of the domestic market: In many countries both the domestic and export markets are heavily intertwined.

Achievements and challenges

General

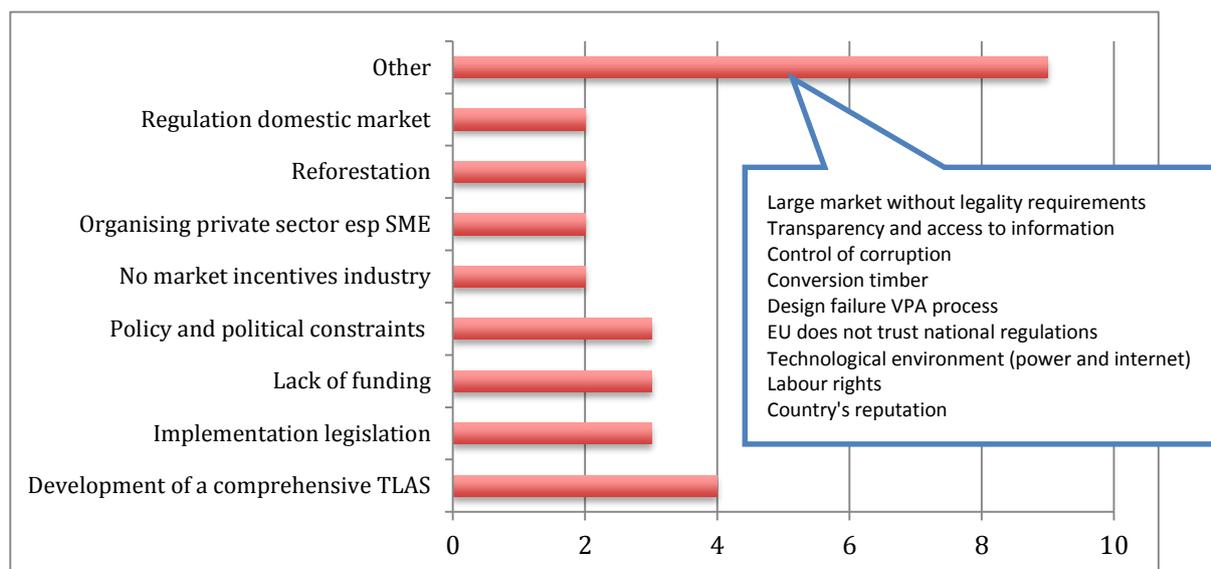
26 What are in your opinion the three main achievements/changes in your country to which the EU FLEGT Action Plan/VPA actions contributed? n=11



The main achievement that rises above all other achievements is the 'Stakeholder involvement'. Eight of the 11 responding VPA countries refer to this achievement, followed by the TLAS development, and a shared third rating of increased awareness, the adapted legal framework and improved law enforcement. While in other surveys increased transparency was mentioned as an achievement rather frequently, here it got least mentioned (together with increased tax revenue).

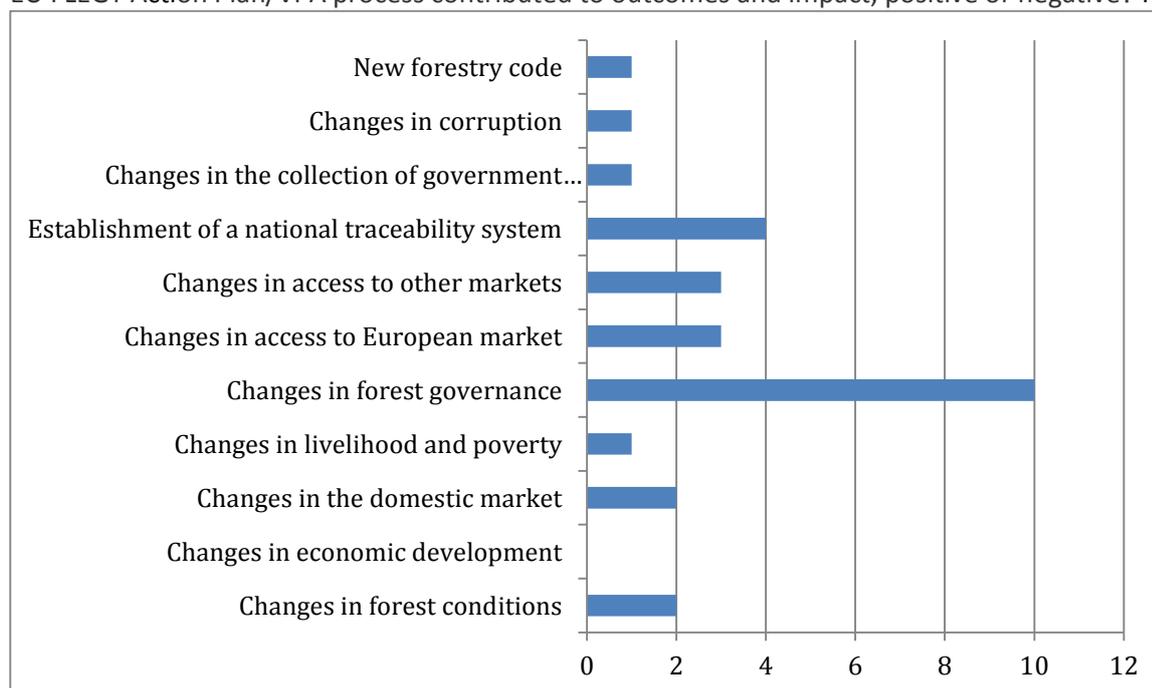
27 What are in your opinion the three main challenges in your country for the EU FLEGT Action Plan/VPA actions? n=11

Annex 4: Results of the written consultations VPA countries' survey



The challenges faced are very diverse, but again here the development of a comprehensive TLAS is mentioned. At least two countries that mentioned the TLAS as an achievement, bring TLAS up under challenges as well.

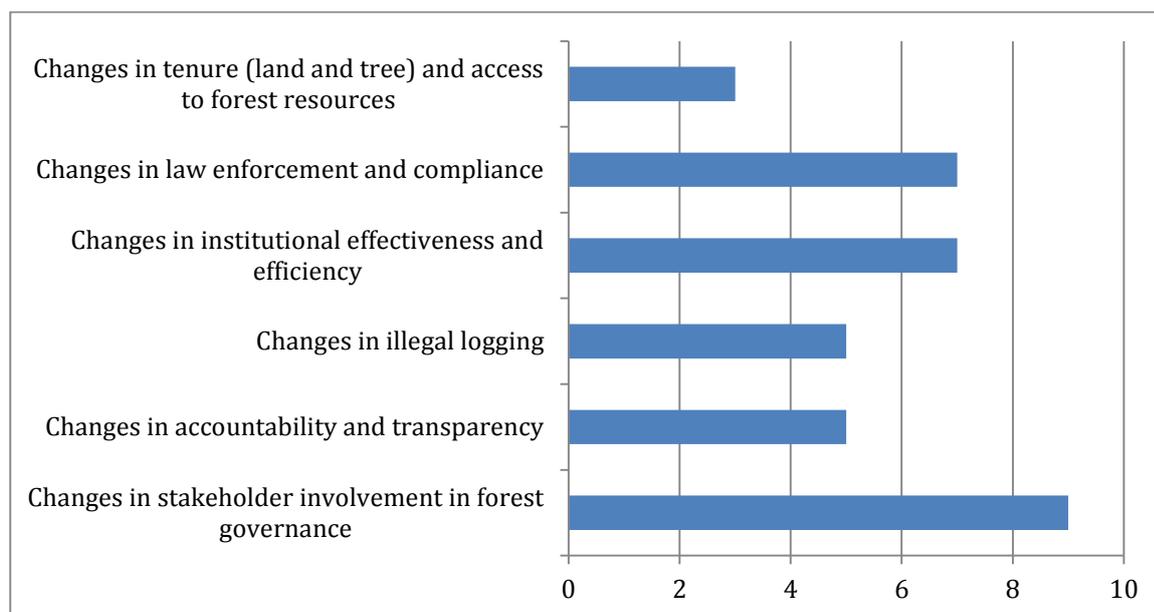
28 Besides the main achievements/changes as reported in question 26: In which other areas has the EU FLEGT Action Plan/VPA process contributed to outcomes and impact, positive or negative? n=11



The outcome most mentioned by respondents is 'changes in forest governance' (10 out of 11 respondents). Some mention the establishment of a national traceability system. Changes in corruption, in the collection of revenues, livelihood and poverty and economic development are mentioned less frequent.

31 What changes have you seen in forest governance? n=9

Annex 4: Results of the written consultations VPA countries' survey



Under forest governance, again the stakeholder involvement is mentioned most frequent as change, followed by changes in law enforcement and institutional effectiveness and efficiency.

Achievements of the EUTR

33 Has the volume of exports to the EU changed since March 2013? n=11

yes	6
no	5
no answer	1

One country (Malaysia) answered both yes and no.

34 Please explain to what extent the EUTR has influenced the trade/ not influenced the trade. n=9

Four responding countries explain that the **impact of the EUTR is low** (MY, CM, CI, VN) due to 'suppliers adjusted easily/had adjusted already' (3), and 'the economic situation was the main factor that influenced trade' (1).

Three responding countries indicated a **medium impact** (CAR, CG and TH), stating 'suppliers moved towards certification schemes', 'suppliers are still trying to understand the regulations', and 'it costs a lot of time to comply with all admin'.

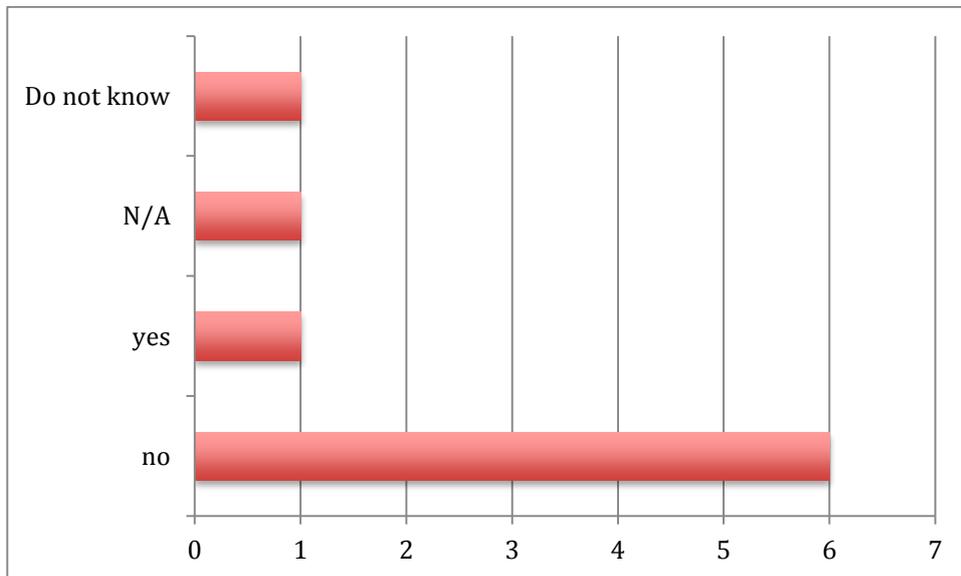
One country (GH) reports a **high impact** since the EUTR 'drastically reduced the number of exporters'.

35 What evidence for traceability and legality are EU importers currently obtaining to comply with the EU Timber Regulation (EUTR) including official government documents, CITES permits, or private certificates? n=9

A whole range of different documentation is mentioned but none of them provides clear evidence of traceability.

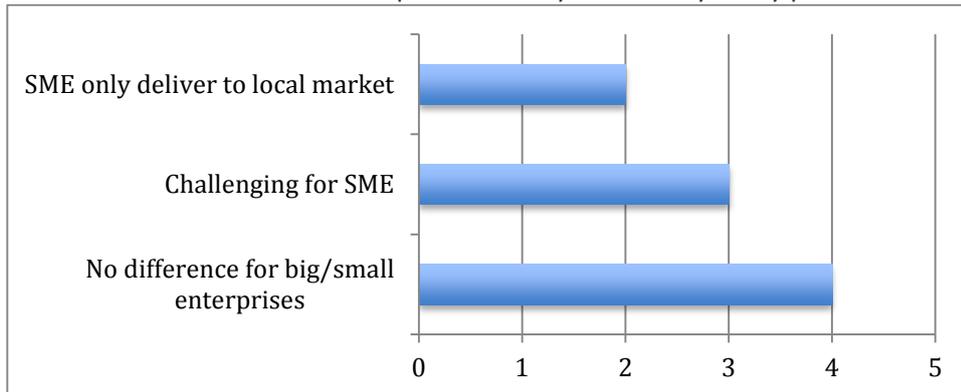
Annex 4: Results of the written consultations VPA countries' survey

36 Has your Department received requests from EUTR Competent Authorities to validate any such evidences? If yes, please provide details (dates, EU member State) n=9



Only one respondent answers that the department received a request to validate evidence.

37 To what extent can the small producers of your country easily provide such evidences? n=9

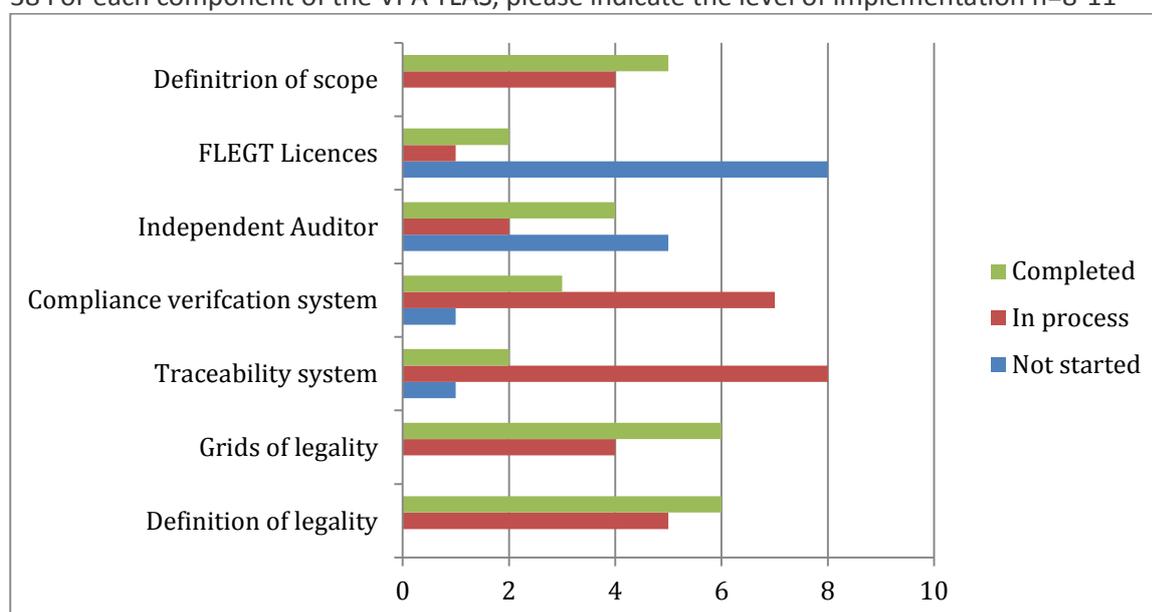


Delivering evidence for the EUTR is not in all countries a challenge for the small and medium enterprises. In two countries SMEs only deliver to the domestic market and in four countries it is not more difficult for SMEs to provide evidence than for bigger enterprises.

Annex 4: Results of the written consultations VPA countries' survey

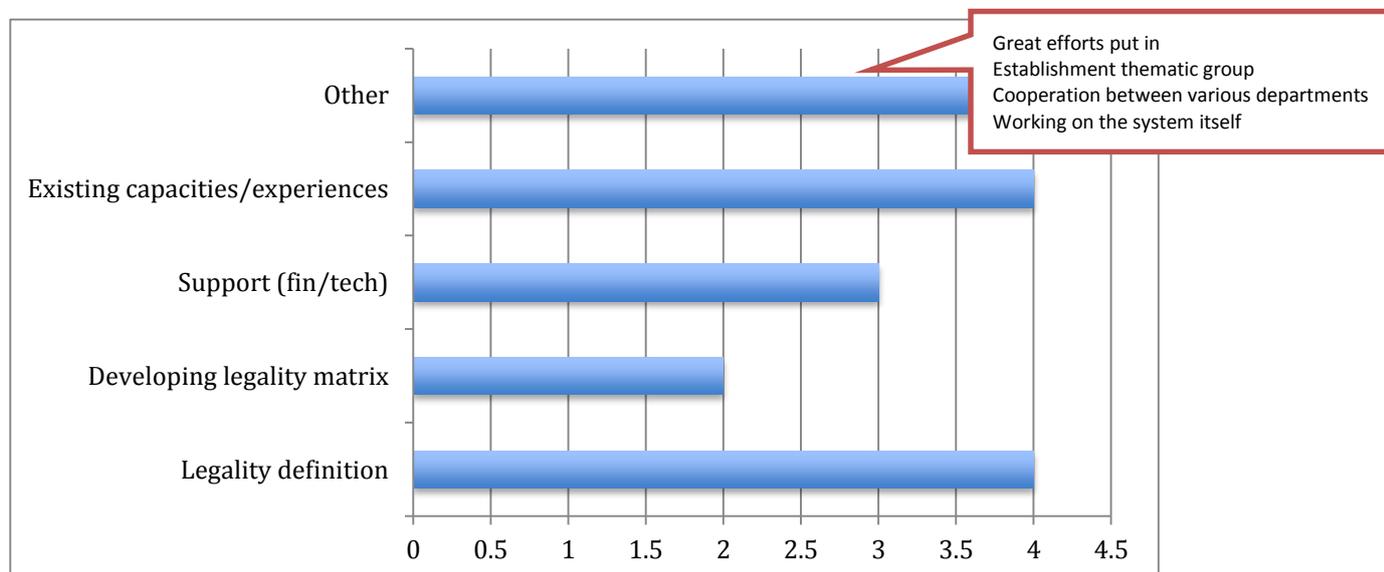
Achievements and challenges of the TLAS

38 For each component of the VPA TLAS, please indicate the level of implementation n=8-11



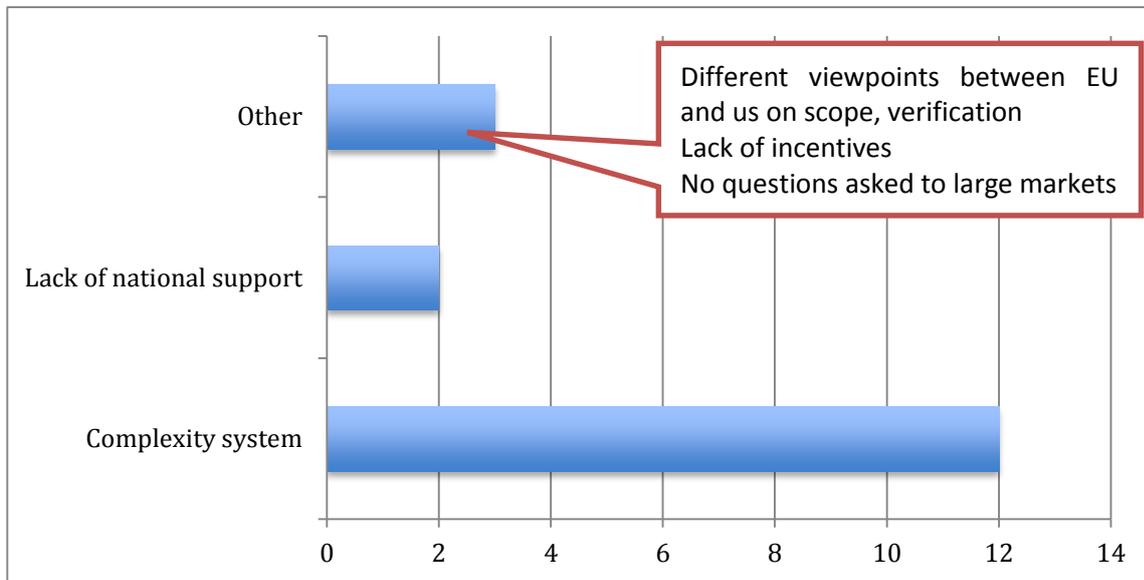
The components of the TLAS that show high levels of completion include the definition and the grid of legality, and the definition of the scope (both applicable for negotiating and implementing countries). Components that show 'no progress/not started' include the FLEGT licenses and the Independent auditor.

39 What do you think has worked well and facilitated the development of the TLAS components? n=9



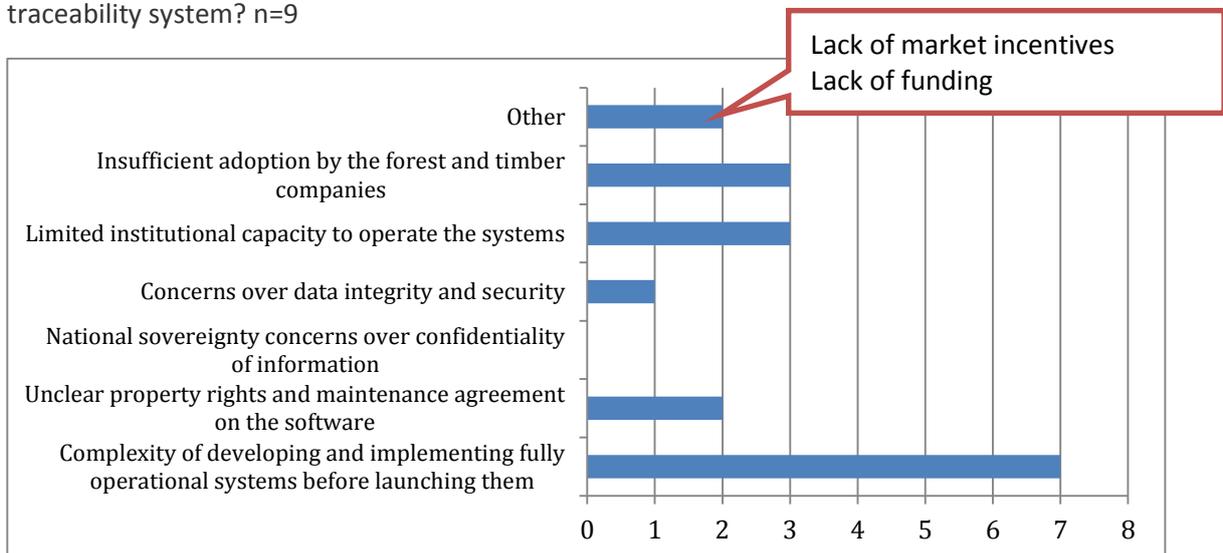
Annex 4: Results of the written consultations VPA countries' survey

40 What are the main challenges that have affected the development of the TLAS components? n=10



The development of the traceability system is said to have been underestimated in term of burden, technology, human capacity and funding. As one respondent puts it *'EU has seriously underestimated the capacity building burden of developing countries in the context of the FLEGT VPA and the TLAS. The TLAS demanded by the EU is too stringent.'*

41 Are there any factors that, in your opinion, delay or undermine the implementation of the traceability system? n=9



The main factor, according to the respondents, that delays the implementation of the traceability system is the complexity of developing & implementing the system before launching it. Other important factors include insufficient adoption by companies and limited capacity to operate the system.

Annex 4: Results of the written consultations VPA countries' survey

43 When do you think the first FLEGT license will be issued in your country?

44 Initially, in what year did you expect to issue the first FLEGT licences? What factors contributed to meeting/ not meeting the initial date?

	Initially	Now
Malaysia	-	-
Cameroon	2015	-
CAR	2014	-
Côte d'Ivoire	-	-
Honduras	2015	2017
Liberia	-	-
Congo	2013	2016
Vietnam		2017
Ghana	2012	2016
Indonesia	01/ 2015	01/ 2016
Thailand	2019	2019

Most countries face very long delays and are not very keen to provide any deadline for FLEGT issuance. Reasons mentioned for delays: implementation of the traceability system, a lack of funding and additional requirements by the EU.

Conclusions on achievements and challenges

General: The involvement of stakeholders in the VPA process is seen as one of the main achievements by all responding VPA countries. The challenges mentioned are very diverse. TLAS development is mentioned as both an achievement and a challenge. Other achievements mentioned include improved forest governance. Economic achievements such as increased revenues, livelihood and poverty reduction and economic development are hardly mentioned.

EUTR: For most countries the impact of the EUTR is fairly low. One country states that the EUTR drastically reduced the number of exporters, while others imply that suppliers are still trying to understand what is really needed in terms of evidence. The list of types of documents mentioned that serve as evidence for the EUTR is long and diverse, indicating that there is still confusion about what is needed exactly. Nevertheless, respondents indicate that validation of evidence hardly takes place.

TLAS The development of TLAS is mentioned as both an achievement and as challenging by countries. One of the main challenges mentioned with regard to the TLAS, is the complexity of the system itself, and then especially the complexity of the traceability system. As one respondent writes: *The TLAS demanded by the EU is too stringent.* Most countries face very long delays and are not very keen to provide any deadline for FLEGT issuance.

Future actions

45 In the light of the developments over the last 10 years, to what extent are the EU FLEGT Action Plan/VPA objectives and actions still relevant for your country, now and in the years to come? n=9

The nine countries that answered this question, confirm the sustained relevance of the Action Plan and the VPA process. However, in some answers also a cry for change emerges. Some quotes:

'The objectives remain relevant but the approach needs to be reviewed taking into account implementation by phases linked to targets and capacity building needs of partner countries. Some form of market incentives have to be considered... Without a fundamental change in approach and

Annex 4: Results of the written consultations VPA countries' survey

some flexibility on the part of consumers (consumer countries), the whole FLEGT VPA is in danger. And this will be most regrettable as the FLEGT VPA is one of the most promising initiatives to combat illegal logging and trade in illegal timber.'

'The actions related to sustainable forest management must be maintained to continue to have access to the European market.'

'The fight against illegal logging and the associated trade remains a challenge for now and in the coming years. We also want to retain our market share.'

'The main objective of EU FLEGT Action Plan/VPA is to combat illegal timber harvesting and trading. This is also the objective of many countries. But actions and approaches to reach this objective should be reviewed and considered to make it become reality. For example, actions should not be taken the same for all countries, but should consider specific economic, social conditions and domestic legislation in each country.'

46 What would be your overall recommendations to improve the relevance and effectiveness of the EU FLEGT Action Plan/VPA process into the medium-term future (2020)? n=6

Recommendations made by the respondents focus on a balance between TLAS systems and the capacities of institutions and staff. As one respondent phrases it: *'we need to strike a balance between ambitions and realities on the ground. Implementation by phases is one way forward.'* Some quotes:

'The initiative remains as relevant as ever. It must be made to work. Partner countries are prepared to be bound by a legally binding agreement and this in itself is a very major breakthrough in international cooperation for which the EU must be credited. But there must be realisation that the FLEGT VPA implementation requires strong institutions, resources both human and financial, capacity to implement and enforce all the relevant laws and legislation in the timber and forest sectors contained in the TLAS, etc. all of which are lacking in most tropical countries. We need to strike a balance between ambitions and realities on the ground. Implementation by phases is one way forward.'

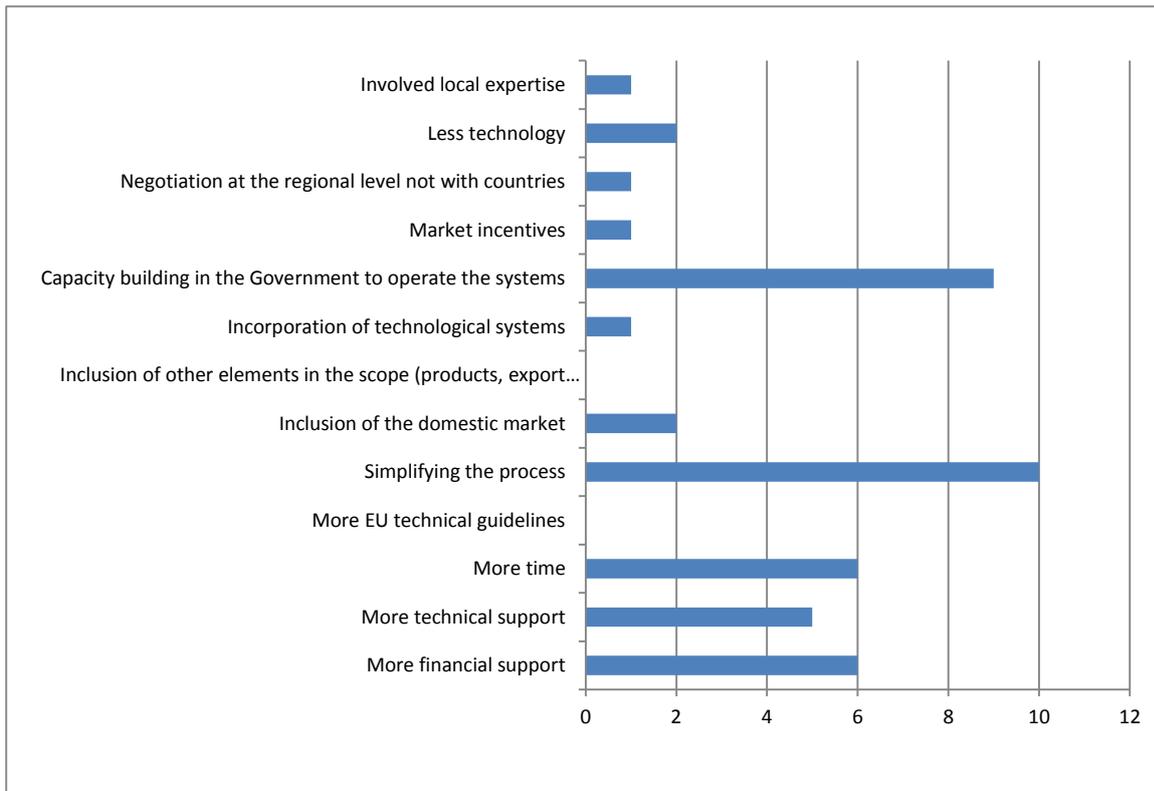
'Develop the capacity of stakeholders and ministries involved in the implementation of the LAS to ensure the sustainability of the system operation. Develop a communications strategy assuming the transparent implementation of the FLEGT-VPA and apply the provisions of the VPA Annex. Reflect on own funding mechanism of the legality assurance system at the ministry in charge of forests to sustain the achievements of the system.'

'– Contribute to the capacity building of stakeholders on the issues before the start of negotiations; – Improve access to information; – Encourage local skills in facilitation and assistance; – adapt the implementation process to local contexts; – Give the time needed for each country to develop its own strategy in line with the FLEGT action plan; – Improve access to finance.'

'Adapt to the national requirements of traceability systems'

Annex 4: Results of the written consultations VPA countries' survey

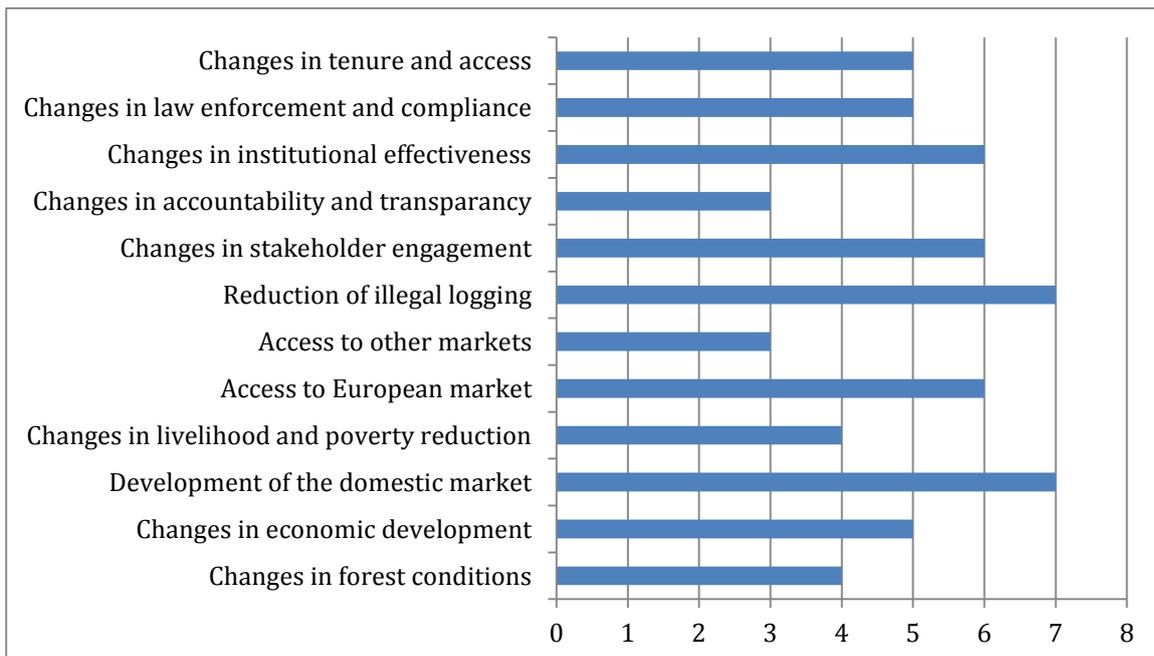
47 How do you think the process towards an operational VPA (negotiation and implementation)



could be improved? n=11

The balance between the complexity of the system and the process with capacities of staff to work with the systems appears in these answers as well. Respondents recommend a simplification of the process/system and strengthened capacities of those to work with the system.

49 Which of the following outcomes and impacts of the VPA do you think can be



sustained/maintained over time without further donor support? n=11

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One of the countries states: *'donor support is not a significant influence to those changes rather than a trigger'*.

50 Please provide any additional information or any additional statements on any EU FLEGT Action Plan/VPA related issue not covered in the questionnaire in the space below. n=4

Two countries mention 'transit timber' and 'imported timber' that will eventually end up in export timber. They ask attention for this issue.

One country states: 'There are some two billion ha of tropical forests in the world today out of which only 36 million ha have been certified in spite of concerted global efforts. This is indicative of the huge challenges we are faced with to implement timber certification for sustainability or verification for legality. The way forward will be to combat illegal logging and trade in illegal timber by phases with time bound targets taking into account the need for capacity building and market incentives.'

And another makes a remark about the increasing timber price of timber with FLEGT licenses while timber from other countries may remain cheaper.

Conclusions of future actions FLEGT objectives are perceived to remain relevant, not only since illegal production and trade persist and FLEGT strengthens national efforts in this regard, but also in view of the role of forests in fighting climate change. But VPA partners feel that actions and approaches to achieve FLEGT objectives should be reviewed in order better to match FLEGT ambitions with realities on the ground. This seems to point to FLEGT communication challenges as well.

Greater recognition is needed that VPA implementation requires, among other things, strong institutions, human and financial resources, as well as capacities to implement and enforce the relevant laws and legislation included in the TLAS. Most of these are weak or lacking in VPA countries. Respondents also stress that actions should not be standardised, but tailored to the specific economic and social needs, conditions and legislation in each country; particular reference is made to wood tracking systems. As one respondent phrases it: *We need to strike a balance between ambitions and realities on the ground. Implementation by phases is one way forward.'*

Annex: 4 - Results of the written consultations Open public consultation

Results of open public consultation

Introduction

The open public consultation was carried out as part of the EU FLEGT Action Plan Evaluation. It aimed to collect views from stakeholders that were not given the opportunity to talk directly with the FLEGT evaluation team members. The consultation was designed in order to better understand:

- The involvement and awareness of the EU FLEGT Action Plan/VPA process;
- Perspectives on the various characteristics of the Action Plan;
- Achievements and challenges of the Action Plan;
- Views and recommendations for future action.

English, French and Spanish versions of the consultation were posted on the FLEGT Evaluation website between March and September 2015.

In this document the results of the consultation are presented.

General Information

1. Who are you / Who do you represent?

The following types of actors participated in the consultation:

Forest or processing company in producing country	2
Forest or processing company in the EU	0
International NGO	22
National NGO	22
Other civil society organisation	8
Indigenous person or peoples' organisation	1
Independent consultant or consulting firm	11
Government	5
Research institute	4
Think tank	2
Other (please specify)	11

Some of the respondents classified themselves as “others”: individual, private donor, lawyer, FLEGT facilitator, organisation of the private sector (trade, energy), intergovernmental agency and philanthropic foundation.

2. Where are you active?

Countries negotiating a Voluntary Partnership Agreement (VPA)	53
Countries implementing a VPA	46
Tropical timber producing countries not involved in VPAs	27
Other producing countries	18
EU consumer countries	31
Non EU consumer countries	17

Most of the respondents have been active in VPA countries and tropical timber producing countries in general. Some of them have been active in consumer countries.

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3. Awareness. How would you rate your level of awareness of the EU FLEGT Action Plan?

58% of the participants are very aware of the FLEGT Action Plan, and 40% somewhat aware. Two individuals based in Europe are not very aware of the FLEGT Action Plan.

NGOs in general seem to be less aware (50% very aware, 50 % somewhat aware) than the other groups (70% being very aware, 25% somewhat aware and 5% not aware).

There is a difference between the English and the French NGO respondents: The English speaking respondents show a higher level of awareness than the French-speaking respondents (English speaking respondents 60% very aware and 40% somewhat aware; French speaking respondents respectively 30%-70%).

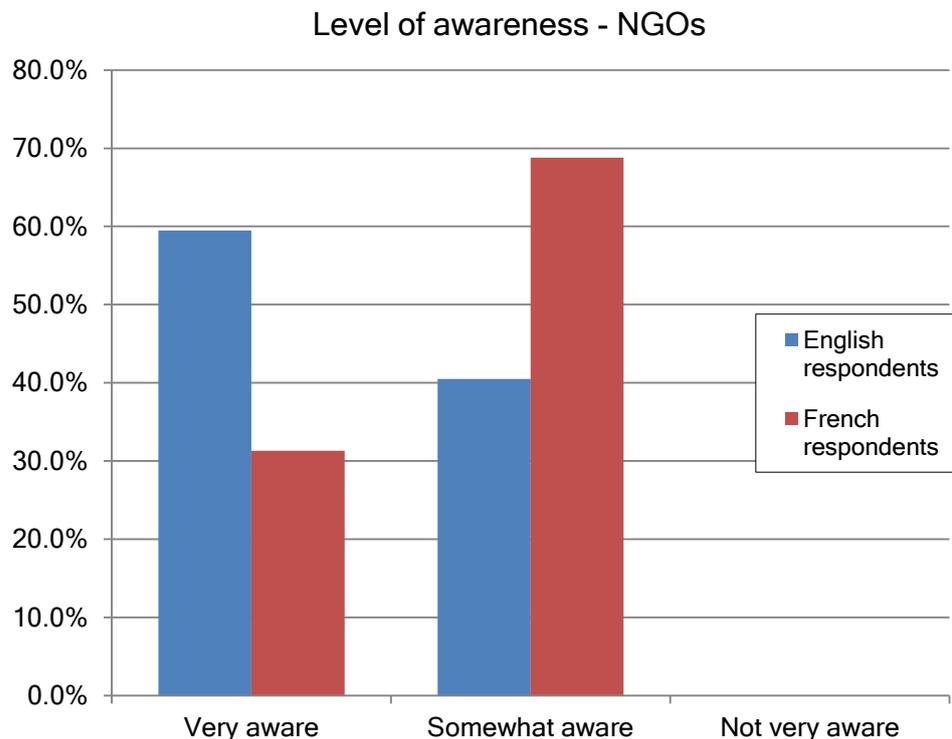


Figure 1: Level of awareness according to the language- NGO respondents

It is unclear what reason lies behind this statement: The UK has been –historically- strongly supporting NGOs and CSOs, stronger than France. However it does not seem to mean that in French speaking VPA countries the involvement of NGOs and CSO is less strong, as in Cameroon or Congo the CSOs have been very active for years.

4. Involvement - Have you been involved in the EU FLEGT Action Plan implementation in any of the actions described below?

Most of the respondents are involved in VPAs (37% in the pre negotiation process, 52% in the negotiation phase and 49% in the implementation phase). Capacity building, Transparency, Policy reform are the topics in which the participants have been most involved.

CITES, conflict timber, licensing, auditing and Money laundering are the topics in which there has been less involvement.

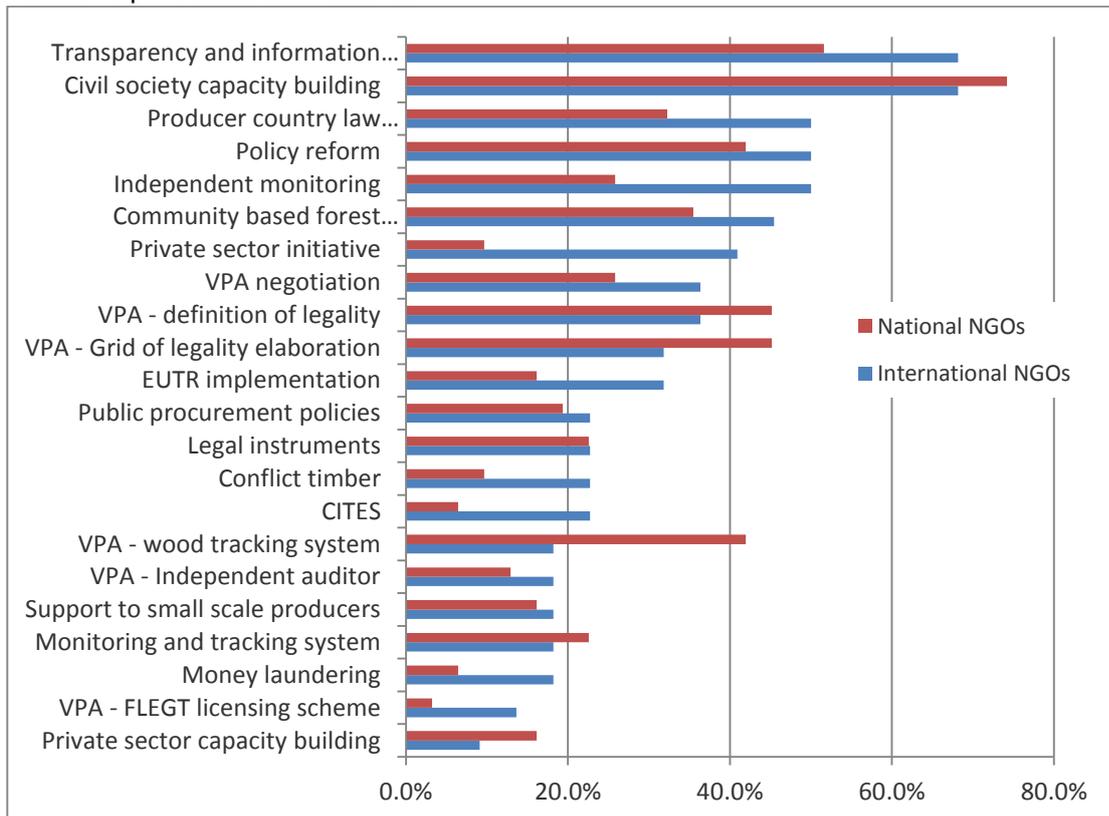
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Figure 2: Involvement of the respondents

Both national and international NGOs have primarily been involved in capacity building and the transparency process. National NGOs have been more involved in VPA implementation including the Wood Tracking System, while international NGOs have been involved in Independent monitoring, EUTR and private sector initiatives.



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Figure 3: Involvement of the respondents, national NGOs versus International NGOs

5. Characteristics of the FLEGT Action Plan - How would you rate the following characteristics of the EU FLEGT Action Plan?

Respondents are rather positive about the Action Plan. They rate the FLEGT Action Plan as follows: Very good 10%; good 36%; satisfactory 33%; poor 16% and very poor 5%. Some characteristics are better rated than others: Relevance, Design and Impact on forest governance received high rates, while Impact on poverty, Cost effectiveness and to a lesser extent Effectiveness and impact on sustainable forest management rated lower.

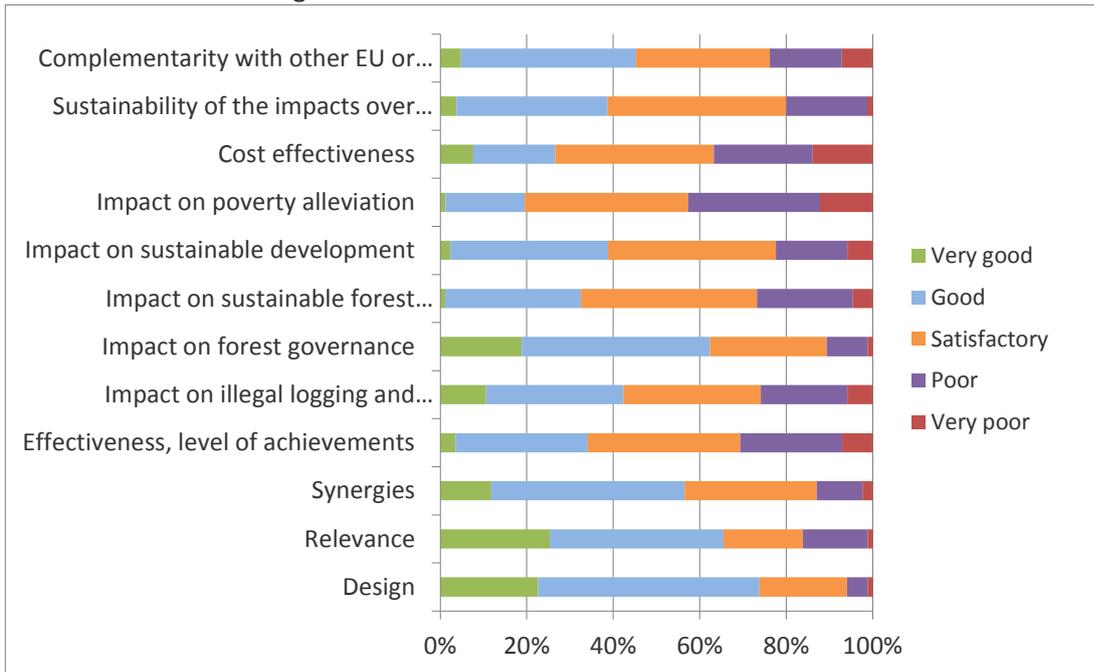


Figure 4: Rating of the FLEGT Action Plan characteristics (all respondents)

National NGOs are less critical than International NGOs when rating the FLEGT Action Plan characteristics. For example the impact on poverty and impact on sustainable forest management are rated more poorly by the international NGOs than by the national NGOs

Annex: 4 - Results of the written consultations

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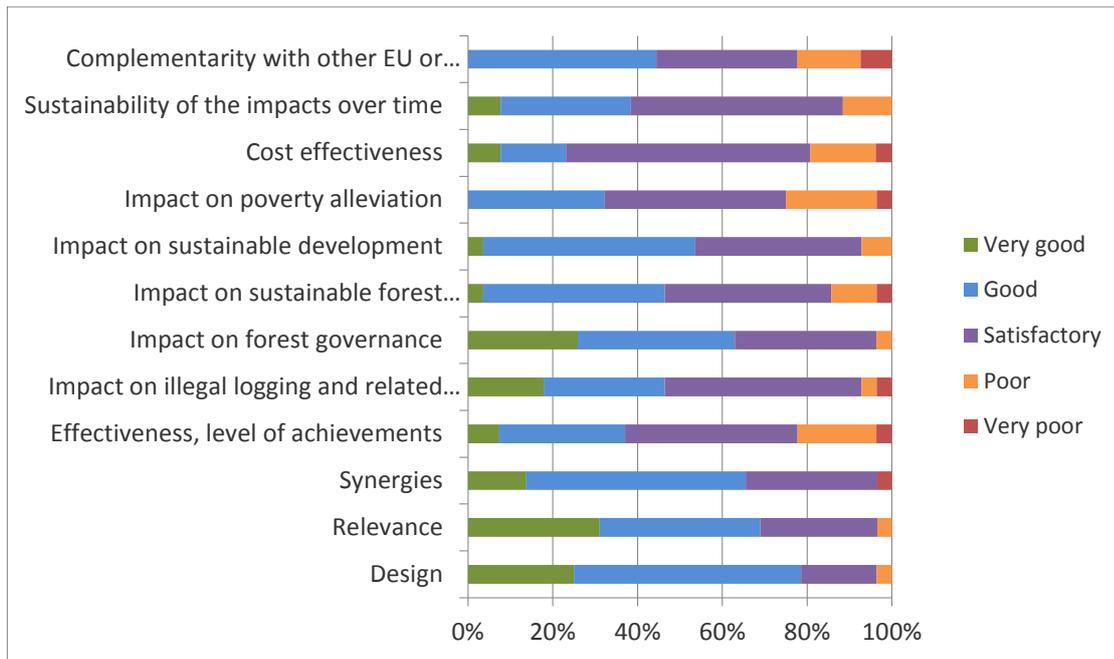


Figure 5: National NGOs rating

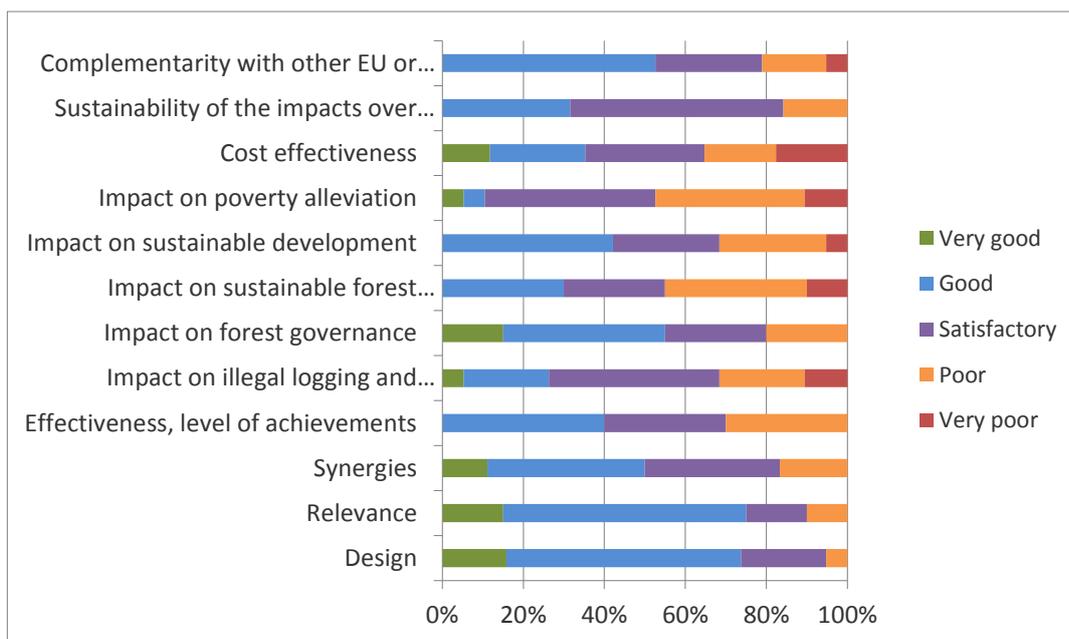


Figure 6: International NGOs rating

Non-NGO respondents have the same appreciation on the FLEGT Action Plan except for:

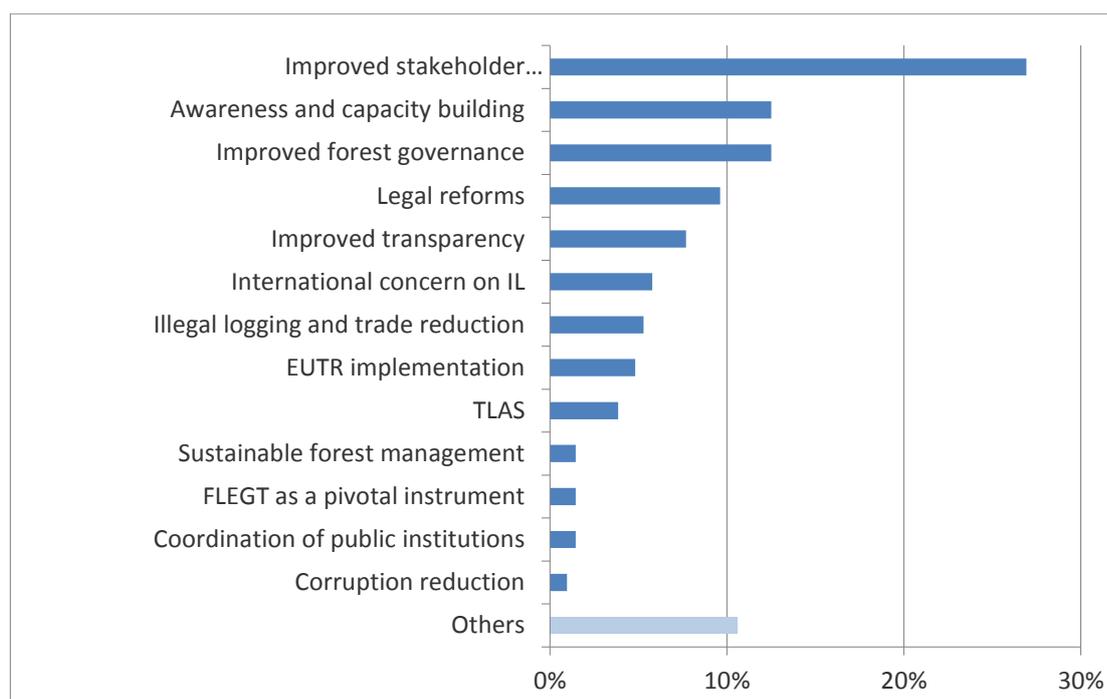
- Impact on SFM: 25% of Non-NGO respondents rate it 'Good' while more than 40% of the NGOs (especially local NGOs) rate it Good or very good.
- Impact on illegal logging is better recognized by Non NGO respondents (60% rating Good or Very Good) while 40% of NGO respondents rate it as good/very good.

6. Achievements - What do you consider the three most important achievements/ changes the EU FLEGT Action Plan contributed to?

More than 200 responses (multiple answers were possible) were given to the question about the perception of the main achievements. A classification of the information has been made and is presented in the following figure.

Annex: 4 - Results of the written consultations

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- **Improved stakeholder participation** is, by far, the achievement that is the most quoted. It includes all kind of debates, dialogs, platforms, CS structuration and recognition, participation framework... However the inclusion of the PS is much less mentioned than the CSOs/NGOs (certainly due to high NGO response)
- **Growing awareness and capacity building** is the second most quoted achievement. Most of the actors are to some extent better informed on the existing legal framework, their rights and the illegal logging issue. The PS and the administration have also mentioned capacity building as one of the major achievement
- **Restructuration of the legal framework and its link to a better governance** is one major achievements recognized by many stakeholders;
- Nevertheless other important topics are not often mentioned as an achievement: SFM, corruption reduction or the TLAS development;
- A number of achievements could not be classified and have been much less mentioned:
 - o Poverty reduction
 - o Threats on Illegal loggers
 - o Improve cooperation with 3rd world countries
 - o Growing awareness that VPA countries do not have the capacity to fully respond to FLEGT
 - o Growing awareness of the weaknesses of the EU to implement its regulation.
 - o A respondent said that the *“main achievement is that FLEGT has been facilitating the work of NGOs who want to get rid of any kind of industrial logging activities”*.

National and international NGOs have the same perception of the main achievements of the FLEGT Action Plan: Improved stakeholder participation (by far the most mentioned topic: 39% for the national NGOs and 29% of the international NGOs), Improved forest governance, awareness and capacity building and improved transparency are the four main results. International NGOs are also insisting on legal reform and focus on legality results (areas of forest governance).

International NGOs perception of main achievements

Improved stakeholder engagement/participation/involvement (including monitoring)	29%
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Improved forest governance	14%
Awareness and capacity building	12%
Improved transparency	14%
Illegal logging and trade reduction	2%
Recognition of the problem by the admin	5%
Focus on legality	7%
TLAS	2%
EUTR	2%
Legal reform	7%
Monitoring	5%

National NGOs perception of main achievements

Improved stakeholder engagement/participation/involvement (including monitoring)	39%
Improved forest governance	12%
Awareness and capacity building	18%
Improved transparency	12%
Illegal logging and trade reduction	4%
Export to EU	2%
Focus on legality	2%
TLAS	2%
EUTR	4%
Coordination of public institutions	5%
Poverty reduction	2%

7. Challenges - What do you consider the three biggest challenges for the EU FLEGT Action Plan?

Around 200 responses (multiple answers were possible) were given to the question about the perception of the main challenges seen by the respondents. We have tried to classify the information but the respondents are reflecting a vast range of challenges.

The main challenges identified are described below:

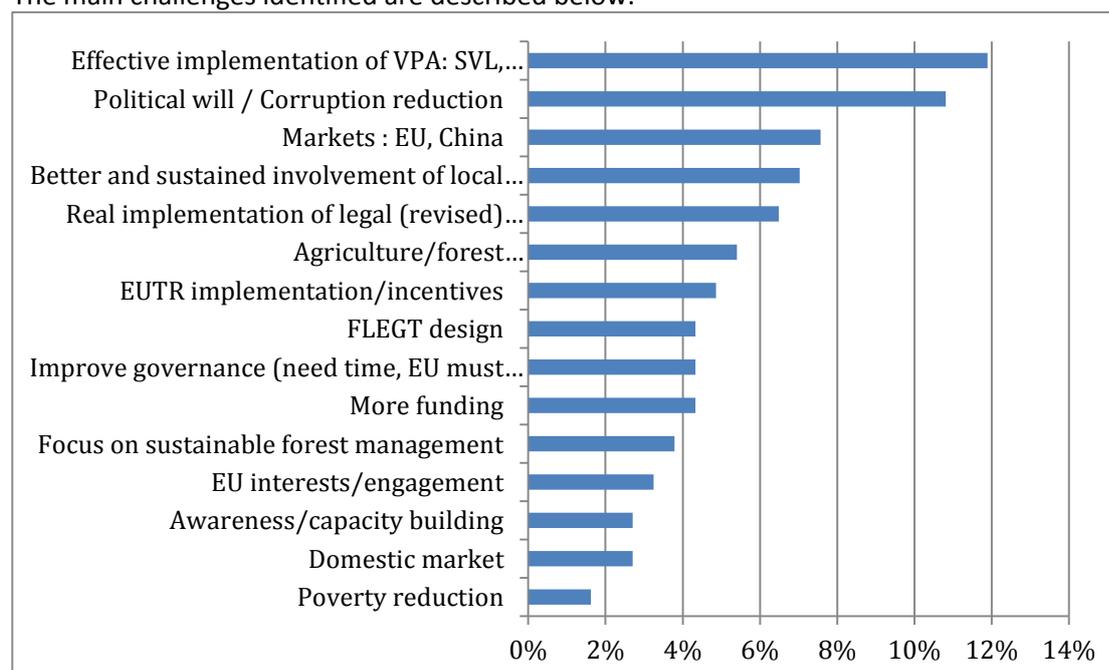


Figure 7: Major challenges identified by respondents (mentioned more than 2 times)

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- **The effective implementation of the VPA** is the concerns most often reported by the respondents who raise this issue of the slowness of the process and the fact that no FLEGT licenses are going to be issued soon, so long after the first VPA was signed. The credibility of the process is questioned as well as the possibility to implement all the components of the VPAs such as the traceability system or the TLAS as a whole or the transparency system. Many participants wonder if this can really be implemented. One proposes to adapt the VPAs to the particularities of the countries and not to apply a single framework for all. One reason mentioned by some recipients and that could undermine the effort made in the framework of the FLEGT Action Plan is its **complexity** that includes too many **action points** (focus could be restricted to Support to producer countries and Trade in Timber) and **overcomplicated legal provisions** which make oversights difficult. **Milestones and simplification** are two challenges that are mentioned. However one expressed his worry about “projectifying” too much the FLEGT Action Plan.
 - **Political will** or better said, the lack of political will is mentioned many times as the key for success. To some a lack of political will lead to inconsistencies in policies and lethargy to move on governance problems. Political will is also linked **to corruption issues**, which are of critical importance for many. They do not always see changes regarding this matter and wonder whether the whole system might collapse if this is not properly addressed. In their eyes fixing problems by using technology is useless when problems are political. The political will could be challenged in the VPA countries by a proper implementation of a revised legal framework. There are some doubts on the strict implementation of laws that address community rights and other tenure and access issues. Many stakeholders considered that **improved governance** is still one of the major challenges. **Political will, improved governance and effective implementation of the legal framework** are mentioned in 20% of the responses.
 - **Markets, both European and Chinese ones**, are mentioned as one of the main challenges by participants. There is a general concern that the EU is not the main market anymore and that exports from producing countries are now shifting to other less demanding countries in Asia like China. The EU market is not attracting the export traders anymore. One respondent said that FLEGT has contributed to the downfall of the tropical wood market in the EU, implying more deforestation in producing countries. Through the increased standards for legality some local actors might move away from the EU market and act illegal as long as they can without being caught
- The implementation of the EUTR** is questioned as well. There are many remarks on uneven and slow implementation of EUTR throughout Europe leading to a decreasing incentive for VPA countries to commit to VPA requirements. This gives a negative sign to the long-term **commitment of the EU** and some respondents have the feeling that there is some fatigue and exhaustion of the EU as the process slows down.
- Surprisingly one challenge (7% of the responses) is about a **lack of an improved civil society consultation** and the lack of uniformity in the quality of multi-stakeholder consultation across different Partner Countries. There is some kind of paradox here while the CS participation is also considered as one of the major success of the FLEGT VPA process. It could also indicate some mistrust of the national administrations and that, without continuous pressure, the multi stakeholder consultation process might be abandoned in some countries.

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- **Conversion of forests for agricultural** purposes is a common worry especially among the NGOs. There is a general need to take into account other deforestation commodities that are overtaking logging as the major cause of forest loss globally. The general feeling is that, until now, FLEGT has failed to address deforestation from agricultural conversion and this might be the next major challenge and test in certain countries (such as Cameroon).
- **Funding** is seen (4% of the comments) as a future challenge for CSOs or the involvement of the administration. Sustainability of the funding is also raised as a challenge.
- **Forest sustainability** has been brought up in 4% of the responses: FLEGT is focusing too much on legality and much less on sustainability. One comment suggests “legality should meet sustainability”.
- **Other challenges mentioned:**
 - o **Awareness and capacity building** is requested for all stakeholders in EU and in the VPA countries, in the administration, the CS and the private sector, at the central level and on the ground;
 - o **Domestic and SMEs engagement** should be better addressed in order to mitigate the potential negative effects on livelihoods of small scale producers and processors and avoid any disincentives;
 - o **As a logical following concern, Poverty mitigation** is not seen as really been taken into account. Above all there is little focus on provision of alternative livelihoods for people engaged in illegal logging in producing countries.
 - o **Other subjects mentioned once:** need for more field work, increased involvement of PS, land tenure issues, coherency with other initiatives such as REDD+, development of a reporting system (of progress against the overall plan) which is not itself resource-intensive, the lack of capacity in producer countries. One says that there is a “Conflict of benefit of the private sector”.

Proper and sustained involvement of the CS is the major challenge that both **national and international NGOs** foresee. Effective implementation of the VPA and improved governance are also 2 other main challenges.

International NGOs are also more concerned by the Forest conversion and agriculture issues as well as by the effective implementation of the EUTR and the international changing context (Chinese market, certification).

National NGOs are also concerned by poverty mitigation and sustainable forest management.

8. Futures actions - What would you like to see in future EU FLEGT Action Plan actions?

For the respondents FLEGT should focus first of all 1) on addressing deforestation and sustainability instead of focusing only on legality, 2) on the link with other initiatives and 3) on the simplification of the VPA process.

The demand to focus on current partner countries is low. The demand to move away from illegal logging is almost absent while concerns on forest conversion are mentioned several times by international NGOs. Other expected actions are more or less referring to the previous question on challenges.

Annex: 4 - Results of the written consultations

Open public consultation

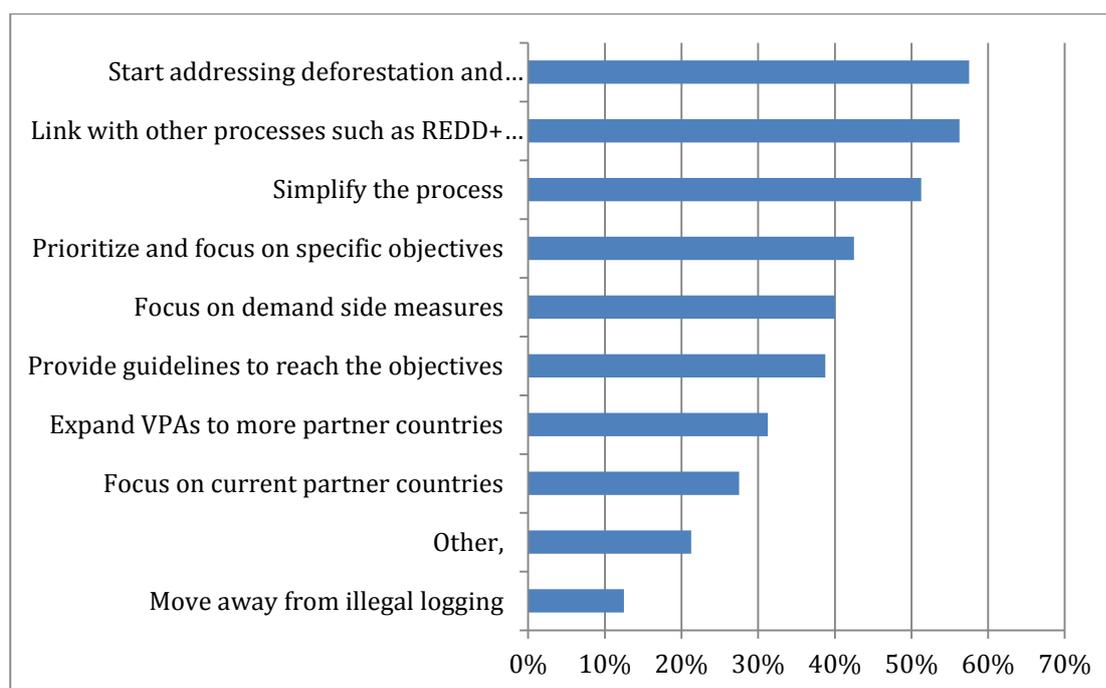


Figure 8: Expectations regarding future Action Plan actions

However some respondents made specific responses here:

- An intergovernmental agency representative active in Latin America says
In order for the FLEGT Action Plan to really fulfil its potential, ALL TECHNICAL ASSISTANCE SERVICE PROVIDERS AND INTERNATIONAL COOPERATION need to align in the messages they are giving regarding FLEGT versus a VPA. There is so much confusion out there in the literature and media - I think it does the FLEGT Action Plan itself a great disservice because it is not giving enough opportunity for countries to select other actions apart from a VPA which are hugely important. Public procurement policies, Legal reforms. Stakeholder engagement."

- One International NGO says:
"It is essential that the EU prohibits the importation of timber and other commodities from third countries linked to human rights violations and illegal land acquisition. It is thus necessary to ensure that a future Action Plan is in full alignment with relevant international legal norms on land tenure governance"

Another one states:

"The most significant threat to tropical forests today is (both legal and illegal) conversion for agriculture, such as palm oil and soy. FLEGT should also consider to "build on lessons learnt from FLEGT by developing similar policy instruments to prevent the import of products into the EU associated with tropical deforestation and forest degradation".

There are important differences in the expectations for the future between **international and national NGOs**.

International NGOs are looking for a higher focus on demand side measures (and are meeting Non NGOs respondents here) while national NGOs wish that FLEGT is better linked with other processes and that the VPA process is simplified (meeting French speaking Non NGOs respondents, 83% of whom are supporting this simplification) with a prioritization of the objectives.

Sustainability and fight against deforestation is a common expectation for both as it is for non-NGOs respondents.

Simplification of the process is highly solicited by those who are more involved in the implementation of the VPAs such as local NGOs and French speaking respondents (mainly active in Cameroon, Congo and CAR, 3 VPA countries).

Annex: 4 - Results of the written consultations

Open public consultation

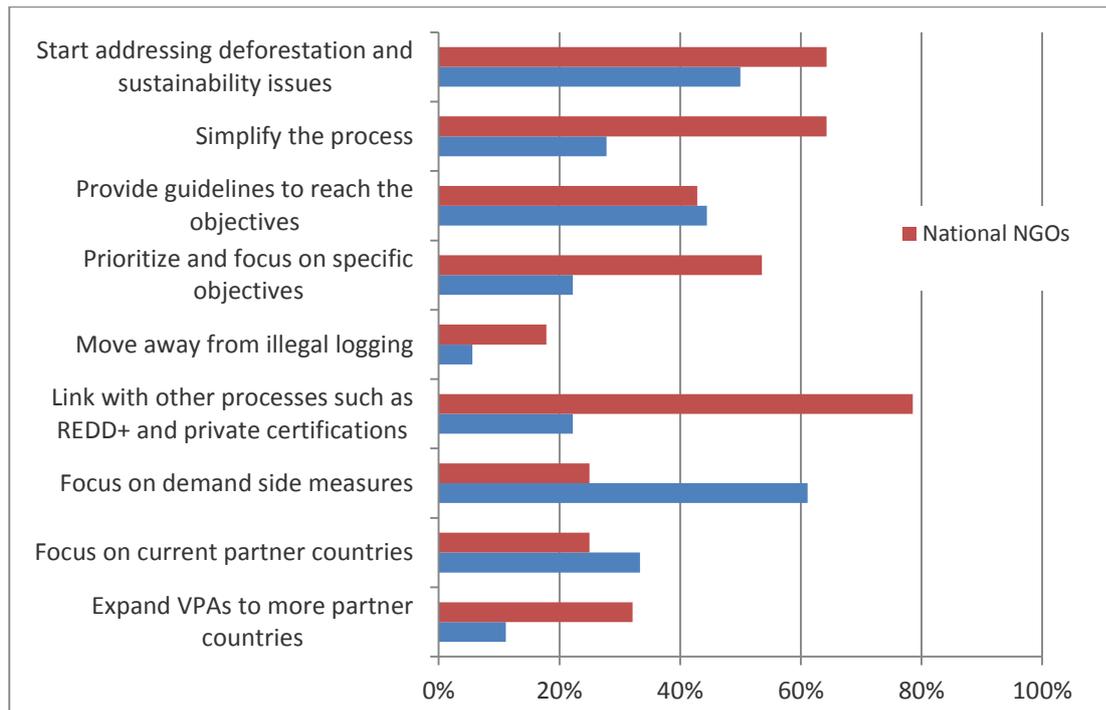


Figure 9: Focus on the expectations by NGOs

9. Future outcomes - What do you consider to be the 5 most important future outcomes of FLEGT?

Generally speaking, expectations of future outcomes refer to improved forest governance/legal framework and reduced corruption on the one hand, and reduction in illegal activities (logging and trade) on the other hand.

There is little expectation regarding the timber market (EUTR, public procurement, improved market access).

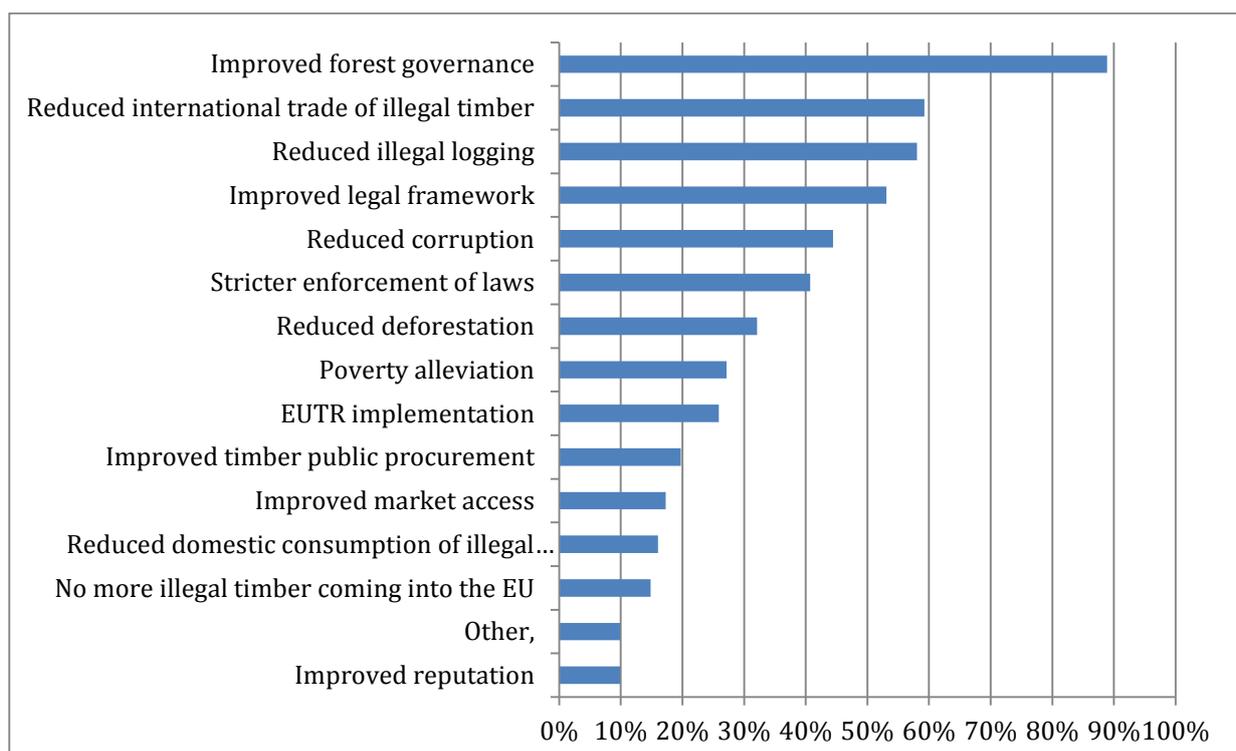
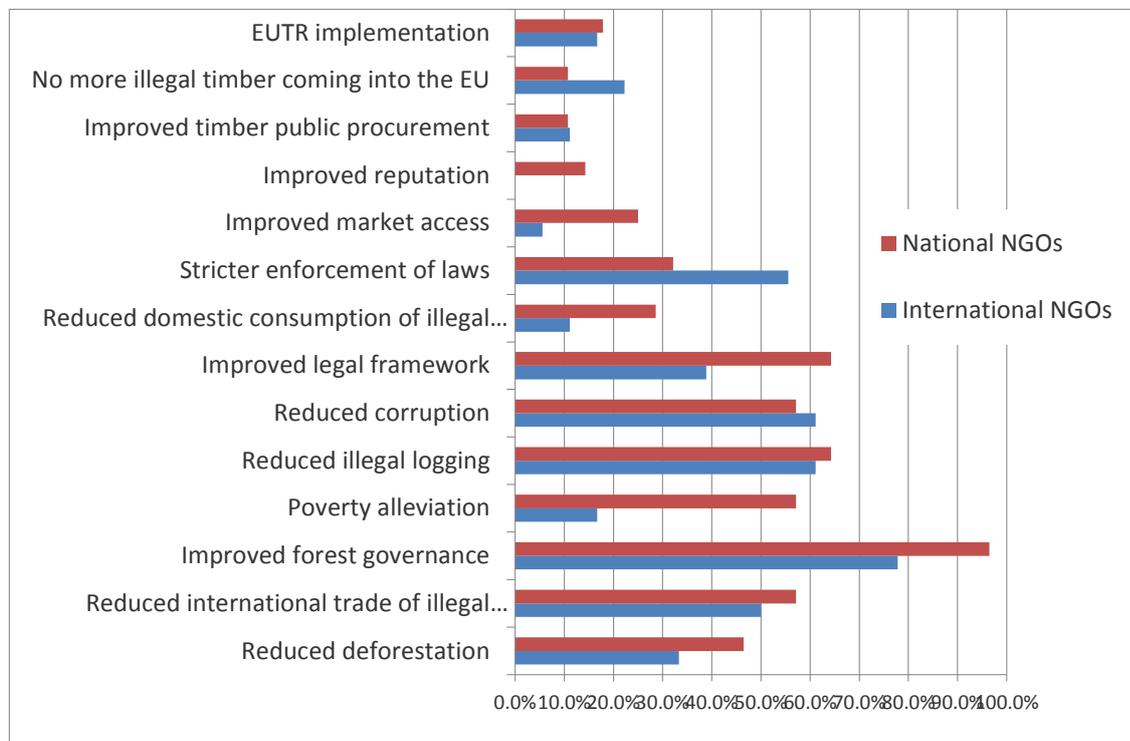


Figure 10: Important future outcomes

Annex: 4 - Results of the written consultations

Open public consultation

Improved governance is the first outcome mentioned by both the international and national NGOs with a better enforcement of laws and an improvement in the legal framework. Poverty alleviation is also considered as an important outcome by national NGOs. EUTR implementation, reduced market access to the EU, public procurement are not considered as major outcomes.



Private Sector responses

- None of them reported being active in Africa.
- None of them has been involved in VPA implementation
- Few have been involved in policy reforms
- Most of them have been engaged in private sector initiatives such as certification or capacity building and information.

However some conclusions can be drawn:

- Respondents are rather satisfied with FLEGT in general, but not with cost effectiveness, sustainability, complementary with other EU actions and impact on poverty.
- They appreciate the fact that illegal logging in producer countries is now put on the international political agenda and that efforts are made to consult all stakeholders and that there are some governance improvements.
- However they are concerned by the delay in implementing the FLEGT VPA as well as EUTR in Europe. They are a bit dubious with the bureaucracy that is behind the VPA process but they seem to be willing to move on.
- For the future, the responses are covering all the proposals. Simplifying the process, focus on demand side measures and try to find a more efficient way (pilot projects, phasing) to implement the VPAs are their expectation to reach reduced illegal activities (trade, logging, corruption). None of them mentioned “reduced deforestation” as an expected output.

Main conclusions from the open public consultation

Annex: 4 - Results of the written consultations

Open public consultation

General conclusion

There was a higher response from NGO/INGO staff and English-speaking actors. It seems the NGOs have a stronger connection to the EU FLEGT Action Plan, and were possibly better informed and more willing to respond than the private sector, universities and government staff.

Conclusion on overall opinion of the EU FLEGT Action Plan

The EU FLEGT Action Plan is still valued and supported by the respondents: 46% of the respondents rate the Action Plan as very good/good, while 21% rate it as poor/very poor. Another 33% rate the Plan as satisfactory. Characteristics that are rated best include 'relevance', 'design' and 'impact on forest governance'.

Conclusion on the understanding and awareness of the EU FLEGT Action Plan

From the answers it can be concluded that there is confusion about the EU FLEGT Action Plan, and specifically the difference between the VPA, the FLEGT Action Plan, FLEGT licenses and the EUTR. Besides, there is a considerable difference between the level of awareness of the EU FLEGT Action Plan between French and English speaking actors, and between actors with and without an academic background. This leads to the recommendation to better target communication on the FLEGT Action Plan.

Conclusion on achievements

Main achievements of the FLEGT Action Plan mentioned include 'Improved stakeholder involvement' (almost 30% of the responses), followed by 'improved forest governance (> 10%) and awareness and capacity building (> 10%)'. However there are also concerns about sustained progress towards forest governance: Around 20% of the responses indicate that the lack of political will and effective implementation of the legal framework are still major challenges. So although the FLEGT Action Plan appears to create an important leverage for improving forest governance, some persistent challenges are still there.

Conclusion on challenges

Main challenges mentioned include 'Effective implementation of the VPA' (12% of responses), the 'lack of political will and corruption' (> 10% of the responses) and 'Changing markets' (trade flow towards China)(8% of the responses). The complexity and length of the VPA process to come to FLEGT licenses is mentioned to affect the credibility of the Action Plan.

Conclusion on future actions

The three most cited future actions include 'starting to address deforestation and sustainability – rather than only legality' (58%), 'increased linkage with other processes and initiatives such as REDD' (56%), and 'simplification of the processes'. It is also noteworthy that International NGOs recommend a stronger focus on demand-side measures (as non-NGOs respondents do) while national NGOs want FLEGT to better link with other processes and the VPA process simplified.

Annex: 4 - Results of the written consultations Results of the Traders' survey

Results survey for traders and other private sector actors

This survey aimed to collect views from key respondents of the private sector (traders, representatives of associations and federations and other private sector actors) participating in the Global Timber Forum in Shanghai, 9-11 June 2015.

The survey was designed to better understand:

- To what extent the private sector actors were aware and involved in the EU FLEGT Action Plan;
- Their attitude towards illegal logging and related trade;
- What actions –if any- they have conducted to combat illegal logging for EU FLEGT Action Plan, under what budgets;
- How their business has been affected by the EU FLEGT Action Plan and through what mechanisms;
- Their opinions on EU FLEGT Action Plan's achievements and challenges;
- Their ideas and recommendations for future EU FLEGT action.

The survey consisted of a mixture of closed and open questions.

Responses

In total 14 respondents participated in the Traders survey. Since participation was on voluntary basis, the number of respondents is limited. The observations and conclusions may therefore be not strongly substantiated. Therefore only a summary of conclusions is presented here

Conclusions on attitude and practices towards illegal logging and trade

All respondents see illegal logging and trade as an important problem. Main reasons mentioned are that 'it causes deforestation and damages the environment' (7), and 'it distorts the level playing field at the timber market' (5).

The majority of respondents currently verify the legality of their products (5 always/ 6 regularly), although their customers do not always ask for legality (2 always, 5 regularly and 5 sometimes).

Measures taken to avoid illegal timber include 'using certification' and 'timber legality verification systems' (9 respondents do so), 'buying certain wood species (3)', 'using a DD system (3)'.

Conclusions on involvement

There is a high level of awareness on FLEGT among the respondents (nine out of 14 respondents), and the vast majority is involved in the Action Plan. None of the respondents revealed any of their budgets for these activities. Main reasons for their involvement in the EU FLEGT Action Plan include 'To improve access to the EU market (9)' and 'To combat illegal logging and trade (9)'. Again, 'sustainable management of national forest resources' is rated high as well (7 times).

Conclusions on changes, achievements and challenges

Seven of the respondents indicate that their supply chain has changed due to the EUTR (7). Changes mentioned include that operators ask for proof (of legality) nowadays (4) and/or ask for certified products (3).

By far the largest achievement of the Action Plan mentioned by the respondents (8 times) is the increased awareness among the private sector (operators, importers, suppliers/ producers) on the issue of illegal timber. Other main achievements mentioned include 'increased efforts to comply with regulations', and 'the creation of a level playing field'.

Annex: 4 - Results of the written consultations

Results of the Traders' survey

Main challenges mentioned include the uneven implementation and enforcement of the EUTR (3); the length and complexity of the VPA process/too challenging (6) and the traceability along the chain (3).

Conclusions on future actions

The results indicate that the majority of respondents think the FLEGT Action Plan is still relevant. They appreciate the fact that illegal logging is on the international political agenda and that efforts are made to consult all relevant stakeholders. The two main recommendations to improve the relevance and effectiveness of the EU FLEGT Action Plan are (1) ensuring an even implementation and enforcement of the EUTR, and (2) a simplification of requirements for EUTR and VPA/FLEGT licenses, including fast-tracking of VPAs. Other recommendations include (3) strengthening of the role of the private sector in FLEGT and (4) provision of support to SMEs. Other remarks made are that private sector capacities to comply with requirements need to be built; that support to producer nations is very helpful (something that is missing in the USA Lacey Act); and that, despite an absence of FLEGT licenses, *'a lot has been gained in terms of awareness of the private sector'*.

Annex 5 Country Aide Memoires (MS, VPA and other)

MS Countries

Finland
France
Germany
Italy
The Netherlands
UK

VPA Countries

Cameroon
Côte d'Ivoire
Ghana
Guyana
Indonesia
Liberia
Vietnam

Other Countries

China
Bosnia Herzegovina
Colombia
Brazil
Chile
USA
Australia
Canada
Russia
Japan
India
Romania

Disclaimer:

The Aide Memoires presented in this document have been produced with the financial assistance of the European Union in the framework of the evaluation of the FLEGT Action Plan 2003-2014. They are based on short country visits and teleconferences with a selection of resource persons and a review of available documentation. They do not claim to be academic or exhaustive country studies, but do aim to reflect the views of the main FLEGT stakeholder groups, with the purpose of learning lessons for the FLEGT Action Plan. The Aide Memoires are in essence internal Working Documents of the evaluation team that constitute part of the basis of evidence, findings and observations on which the evaluation is based; they are made public for the purpose of transparency. The contents of these documents are the sole responsibility of the consultants and can under no circumstances be regarded as reflecting the position of the European Union, EFI or any of the FLEGT stakeholder groups.

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Summary Of Main Findings, Conclusions And Recommendations

In Finland, the forest sector's economic, social and ecological importance is very high, and does not show any signs of decline; rather is it a competitive and innovative sector, with some of the world's leading companies in wood working, pulp and paper, and chips used for a wide array of products including bioenergy. The industry relies largely on domestic production, coming mostly from family-owned forests, and focuses on exports of forest products. A solid ownership right system (family forestry) and efficient forest law enforcement limit room for illegalities. .

The FLEGT Action Plan has not had any major effects on domestic timber supplies, but has been successful in setting 'minimum requirements' for legality of timber, creating a level playing field and improving the sector's image. At the same time, it should be avoided that a sustainable raw material would be heavily regulated to the advantage of less sustainable materials such as steel. The EU-TR and resulting checks by the CA are the main change induced by FLEGT. Concerns over illegal timber production and trade mostly relate to the substantial round wood imports from Russia, which remain important for the industries (13% of supplies). These changes mostly affect the Small and Medium-sized Enterprises which did not or do not have certification or legality verification systems in place, but now need to monitor and report on legality, and are subject to checks by the CA.

Overall, two positive effects are attributed to FLEGT namely (1) increased awareness and interest in legality, among the state agencies, the private sector and the civil society, of issues of illegal logging and associated trade, especially since 2012; (2) an increase in cross-sectoral cooperation between state authorities (e.g. forestry, trade, customs, development policy) and (3) better governance of forest resources in countries taking part in the VPA process. At the same time, though, it is noted that FLEGT's concentration on legality does not ensure sustainable forest management in most of the target countries, even though legality is recognised as an important element of sustainability.

The main challenges ahead cited by stakeholders relate to (1) informing the operators of the requirements of the EUTR and related to FLEGT-licenses and (2) the ability of SMEs to meet the requirements and cover the costs stemming from compliance.

Main Recommendations coming from the Finland mission are:

- Efficient implementation of EUTR in all MS is necessary, in order to avoid market disturbances; It is also crucial to keep the competitiveness of the EU forest sector in mind, including cost efficiency of implementation and avoidance of trade barriers or unnecessary additional administrative burden.
- In order to give credibility to the VPA scheme it is now crucial to get the system functioning and get FLEGT licensed timber shipments entering the EU. This would allow for assessing the functionality of the (FLEGT/VPA) system and for continual improvement;
- A more balanced implementation of FLEGT action across all areas is desirable and may require development of appropriate tools.

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Situation of the country with regard to FLEGT action

Finland has been selected as one of the few net producer countries among the EU Member States. It harvests around 55 mln m³ annually (out of an annual increment of around 105 mln m³) against annual roundwood imports of around 10 mln m³ annually. Since the late nineties, total roundwood consumption has stabilised at around 65 mln m³. While EU imports of industrial roundwood has consistently dropped since the year 2000, those of Finland have shown a gradual increase (despite a stark drop between 2005 and 2009), which seems related to the strong pulpwood and forest chips industries in Finland. Imports are mostly from Russia (85% of value, mainly roundwood, chips) and China (5% of value, mainly products). Imports from VPA countries come for 90% from Indonesia and are relatively low at an annual value of 2 M€ approximately, or <1% of total imports; they mostly concern wooden furniture and have seen a steady drop in number of importers and of shipments since 2008.

The main FLEGT-related activities in Finland concern the implementation of the EU-TR. A Working Group on national implementation identified the MAVI (- Agency for Rural Affairs under the Ministry of Agriculture and Forestry) as the Competent Authority (CA), defined Due Diligence procedures for domestic timber, organised controls of imports and developed a communication and information plan by the CA. Key elements in the DD are the 'Forest use declaration on felling' which declares all felling operations, to be checked by the Finnish Forest Centre, and the timber measurement certificate. MAVI also organised training events for stakeholders, consultation for operators and web pages in three languages (FI, SE, EN) and some e-materials also in Russian.

National EU-TR legislation was adopted in January 2014, and the first checks were started in March 2014. Likewise, national legislation related to FLEGT licensing was adopted in January 2015. The new law defines the same MAVI as the CA and defines registration of licenses, modalities for information exchange between relevant institutions, and is reportedly ready to receive FLEGT-licensed shipments.

Interestingly, a legal analysis of other FLEGT-related legislation was undertaken as well, in 2007, but has been kept for internal use only. It looked at legislation on money laundering, possession of stolen property, taxation, customs, and concluded that legislation was applicable (and applied) for the forest sector crimes, but that collecting evidence was extremely difficult when the crime originated from abroad and money transferred to a tax haven. A timeline of milestones in the FLEGT process is provided in Annex 3.

Considering the importance of imports from Russia and China, and the possibility of associated issues of legality, this was identified as a specific issue to look into. Another specific issue, in view of the importance of the forest sector for the country, and the high number of actors involved in the value chains, is the effects of the EU-TR for companies, in particular the Small and Medium Enterprises.

The programme for the evaluation visit is provided in Annex 2. Unfortunately, a planned visit to a SME was cancelled at the last minute and then replaced by a visit to UPM, Finland's largest forest-based company (annual turnover of € 10 bln). Lastly, the mission was also used as an opportunity to meet the Indufor EU-TR Review Team and coordinate FLEGT AP evaluation and the EU-TR review.

Key Findings

On EQ1 (relevance): *What are the objectives and ultimate goals of the FLEGT AP, how were they determined, and how were they relevant to stakeholder problems, priorities and needs in the EU, MS and in producer countries in 2003? How has the relevance of FLEGT AP objectives been affected by external developments since 2003, and how is it likely to be affected in the future?*

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- The relevance of FLEGT for the situation in the Finnish forestry sector is limited; knowing the origin of wood has a long tradition in Finland. Verification and certification of legality has been pursued by the private sector actors since the early nineties, through engagement in forest certification schemes (PEFC, FSC) following pressure from public opinion on suspect supply chains of Russian timber into Finland. Forest certification now covers over 95 % of commercial forests. FLEGT has not been a key driver in this regard, but it is recognised that FLEGT has helped promote a better (legal) image of the forest sector as a whole, and contributing to a 'level playing field' for all operators.
- A major producer reports that customers in Europe have become more interested in country or origin and species information; which is something they were already collecting anyway, but it is positive that there is more interest now and that 'others are now required to do the same'.
- FLEGT is considered important in as far as it targets to promote sustainability and local communities in a positive way, in a global (not EU) perspective.

On EQ2 (design): *To what extent were the overall FLEGT strategy, the seven Action Areas and related actions and policy instruments appropriate for achieving the objectives of the FLEGT AP? Were there any important omissions? In light of external developments since 2003 and current trends, are they still appropriate today and are they likely to be appropriate in the future?*

- All of the Action Areas were considered important. However, in relation to some areas it is not clear if the public sector, namely the Commission and governments in EU MS have appropriate tools for implementation. Some trends and actions (e.g. corporate social responsibility, forest certification, CoCs) are already taking place among the private sector irrespective of the FLEGT AP. It would be beneficial to analyse these developments and assess if EU/MS actions are needed. The future actions could focus more on those areas where the EU and MS intervention bring most added value.

On EQ3 (effectiveness): *To what extent have interventions and policy measures within the seven Action Areas led to the intended results (output and outcomes)? What mechanisms, actors and factors have influenced the levels of achievement, and how could the effectiveness of the action areas be increased?*

➤ **AA1 (Support to timber producing countries)**

- Finnish funding in support to timber producing countries focusing explicitly on FLEGT amounts to € 770.000. It has concentrated on support to Vietnam (2010-2014) in the following areas:
 - Supporting a FLEGT Facilitator (through EFI) and supporting parties to conduct negotiations and a number of joint expert and technical meetings.
 - Assisting Government actors in Vietnam (in particular within VNFOREST) to better understand the issues and options in developing their timber legality assurance system (TLAS).
 - Supporting the engagement of civil society organisations in the process.
 - Identifying gaps and opportunities to inform a coordinated donor-approach to FLEGT-related activities. Finland has supported development of a Forest Management Information System.

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- Providing information to the Commission to enhance their understanding of key issues and the country context of the VPA.

It is expected that this support will contribute to the transition from development cooperation to trade and economic partnership between Finland and Viet Nam.

- Cuts in Development Cooperation budgets make future support for FLEGT unsure. However, FLEGT would seem to fit well into all main thematic areas for future support namely (1) gender, women and girls; (2) Good governance and rights-based approaches; (3) Food, energy and Water (including climate change and environment) and (4) Promotion of private sector involvement.
- More generally, the various awareness raising and capacity building activities in VPA countries are reported to have resulted in:
 1. Increased awareness of good governance;
 2. An active involvement of stakeholders
 3. Awareness of the complexity of the (illegality) issues;
 4. Awareness that it is important for the EU to act on these challenges.

At the same time, a degree of fatigue in VPA negotiation was observed. This points to a need for clear communication of benefits of the VPA and related systems for the private sector, for civil society and for the concerned authorities.

➤ **AA2 (Trade in timber: a. VPAs b. EU-TR)**

- It is assessed that the combination of support for VPA development with a legally binding regulation (the T in FLEGT) has functioned as a proper mechanism to stimulate the VPAs in producer countries.
- The preparation and implementation of the EU-TR at national level has, reportedly, resulted in wide stakeholder participation, awareness and ownership of the process. It is felt that the EUTR is no too bureaucratic an instrument. It has also mobilised 'non-traditional' actors such as customs.
- In this context, the cooperation between CAs was also rated as good, contributing to an increasingly consistent EUTR interpretation.
- At the same time, its implementation for SMEs is a challenge and some feel that the EU MS and the Commission are rather passive when it comes to support for businesses that have to deal with EU-TR compliance.

➤ **AA3 (Public procurement)**

- In the initial days of the FLEGT AP (2004) there was no procurement policy especially designed for timber in place in Finland⁵. But the situation has since evolved, at least partly in response to FLEGT and the EU-TR. In addition to the Law on Public procurements (30.3.2007/348), a Government Resolution in 2009 encouraged sustainable procurement at all levels of central, regional and municipal government. A Finnish National Public Procurement Policy for Wood-Based Products was adopted in June 2010. Finland's objectives as regards raw wood production are to encourage operators to engage in the sustainable management of forest resources, *ensure the legality of forest use*, and promote the use of *sustainably and responsibly sourced wood and wood-based products*. The aim

⁵ To Buy or Not to Buy: Timber procurement policies in the EU. FERN, January 2004

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regarding wood-based products procurement is to gradually shift the environmental focus away from raw material production and towards holistic evaluation of wood products in terms of their overall life cycle impact.

- Finland's national Strategic Programme for the Forest Sector contains a number of measures related to the public procurement of wood-based products. One of the Programme's long-term measures for developing the competitiveness of the forest sector was set out by the Finnish Cabinet Committee on economic Policy on 29th September 2009 as follows: the specification of public procurement policy and building regulations is *to prioritise the use of products made from renewable natural resources on environmental and climate protection grounds*.
- Other Programme measures closely related to public procurement include promotion of the use of wood and wood construction as well as the commissioning of an independent international report on the *benefits and advantages of (sustainably produced) wood as a raw material meeting all modern environmental and climate protection criteria*. The Programme also emphasises the importance of wood in public sector construction.
- **AA4 (Private sector initiatives)**
 - Forest certification (PEFC and, to a lesser extent FSC) is strongly present in Finland and covers over 95 % of commercial forest. A degree of controversy⁶, over compliance of some of Finland's largest wood-based companies with the FSC CoC standard for sourcing controlled wood is observed, though.
 - The FLEGT AP has led to some amendments to the DDS and COC/CW (Chain of Custody / Controlled Wood) systems of the widely used PEFC and FSC schemes, in order to meet the EUTR requirements.
 - Companies have increasingly adopted new practices, such as CoC and programmes of social responsibility etc. These changes are still continuing, but the influence of FLEGT AP to this development is unclear.
 - The problem highlighted is that not all countries and companies worldwide are involved, which still causes trade inequity in the market.
 - According to several private sector representatives, the role of certification in meeting EUTR requirements should be stronger.
- **AA5 (Finance and investment safeguards)**
 - Not enough information available
- **AA6 (Use of existing EU, MS or international legislative instruments)**
 - A legal analysis of other FLEGT-related legislation was undertaken in 2007, but apparently it has been kept for internal use only. It looked at legislation on money laundering, possession of stolen property, taxation, customs, and concluded that legislation was applicable (and applied) for the forest sector crimes, but that collecting evidence was extremely difficult when the crime originated from abroad and money transferred to a tax haven.

⁶ According to a report by Greenpeace (June 2013) entitled 'FSC at Risk - Finland: How FSC Controlled Wood certification is threatening Finland's High Conservation Value Forests and its species at risk, some of Finland's largest companies are sourcing "controlled wood" in contravention of requirements for the maintenance of high conservation values.

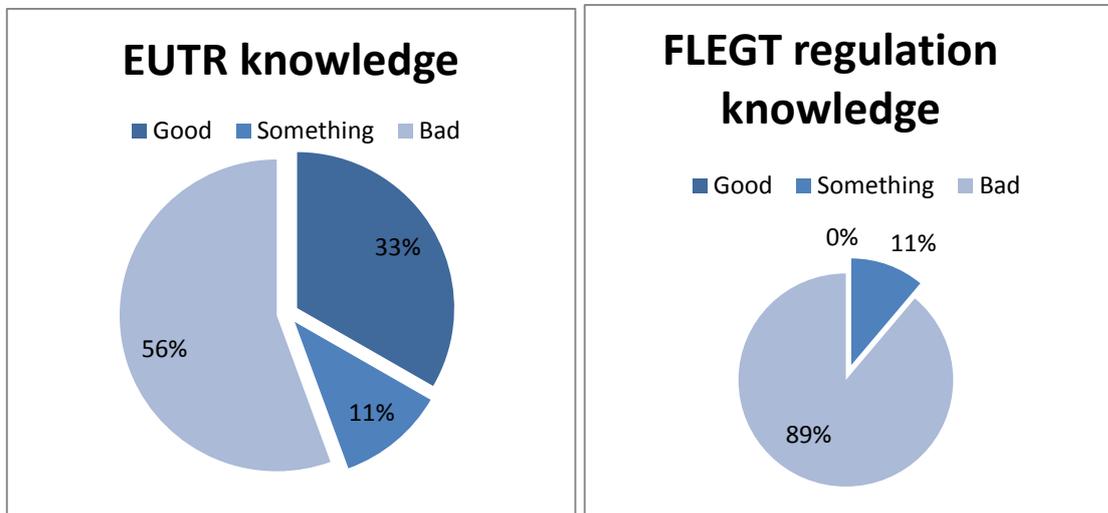
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➤ AA7 (Conflict timber

In general, the imports from tropics are low, and imports from conflict areas are reported as ‘almost non-existent’.

On EQ4 (implementation management and coordination): *Have the elements of the FLEGT Action Plan been implemented in a balanced manner, reinforcing each other and producing the expected synergy? Have there been any gaps or shortcomings in the implementation and management of the FLEGT AP, and how has this affected its overall effectiveness?*

- Thirteen companies (SMEs) were interviewed in March 2015 regarding their knowledge of the EU-TR and the FLEGT regulation. They represented following sectors: Furniture importers & wholesalers, boat builders, freight forwarding businesses, chain stores, associations, timber wholesalers and flooring manufacturers. The results of the interviews are as follows:



- These results suggest that knowledge among SMEs of the EU-TR is mediocre, while the knowledge of the FLEGT regulation is poor. This is likely to be due to the non-availability of FLEGT-licensed timber as yet. However, the results point at a need to step up communication on both the EU-TR and the FLEGT regulation. An information campaign by the MAVI has been planned for autumn 2015.

On EQ5 (achievement of objectives): *To what extent have the objectives of the FLEGT AP been achieved or are they likely to be achieved? To what extent and how did FLEGT Actions contribute to these achievements and to what extent were achievements the result of other instruments and trends? What actors, factors and mechanisms are affecting FLEGT AP impact? Which stakeholders have benefited and which have not?*

- There is a new Competent Authority (Agency for Rural Affairs) which has started its audits, which represents the most tangible achievement related to FLEGT.
- Yet, overall, FLEGT has not had a major impact as most actions addressing traceability and illegality in the forest sector (wood supplies) had started well before the Action Plan (in the late nineties).
- The widely used PEFC/DDS and FSC COC and CW systems have incorporated additional criteria with regard to legality. There is reportedly also more emphasis on the delivery sales

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(to mills) and the origin of domestic wood; the origin of the delivery sales (including bioenergy) has to be known in more detail.

- Private companies also report that they re-defined their purchasing processes to meet the new requirements; reportedly there has been a shift from *'own purchases towards increasing use of purchasing agencies in Far East'*. Some companies are centralising their imports from producing countries to local purchasing agencies while also adopting new improved criteria related, for example to origin and quality of timber and documentation. These criteria are to meet external but also companies' internal requirements, such as risk management, customer satisfaction and the reliability of delivery.
- There is a feeling that the FLEGT AP has resulted in concrete activities to address illegality in imports and production in the EU, but that the overall change in trade of illegal timber is unclear; this should be monitored before revising the Action Plan and/or the EU-TR. One resource person mentioned that a decrease in imported wood may have given more room to domestic products.
- There is some awareness of improved governance in VPA countries, thanks to FLEGT.

On EQ6 (Other, emergent outcomes): *What other emergent, unexpected outcomes, impact and side effects, either positive or negative, have FLEGT actions (including the EU-TR) brought about? Who benefitted and who did not, and through which mechanisms?*

- One person representing a local forest authority reports a new perspective on forest law enforcement in Finland; in particular, FLEGT has promoted the use of the 'cutting declaration' (the Forest use declaration on felling) as a key element of the Due Diligence practice. Monitoring of the system adopted for Due Diligence has given new ideas to improve the GIS-based methods for analysis. Results include a higher degree of cost-effectiveness, an improvement in legality and a higher quality of forest data. Forest owners also have a better knowledge of rules and procedures.
- One resource person reports that in some cases, other (less sustainable) materials are substituting wood due to the EU-TR requirements, experienced as a 'burden'. There would be an 'unbalance' in regulation between industry sectors ("what about legality of cotton, of coal?")
- It is suspected that introduction of the EUTR may have contributed to a shift to procurement from domestic rather than imported sources.

On EQ7 (contribution to higher objectives): *To what extent has the FLEGT Action Plan contributed to its higher objectives in partner countries? Through what pathways have these benefits been achieved, and how could the FLEGT AP contribution to these objectives be enhanced? How could good practices from FLEGT inform work in other sectors?*

- FLEGT AP has contributed to sustainable forest management by improving the governance of forest resources in the VPA countries through the negotiation process and due actions taken. Enhancing forest management requires systemic changes that take long time. The FLEGT AP contribution can be only further enhanced by starting the VPA licensing system.

On EQ8 (efficiency): *To what extent have the various FLEGT actions, by the EC, by MS and by partner countries been cost-effective and commensurate instruments for achieving FLEGT objectives?*

- Several resource persons stressed the need for FLEGT not to evolve into a bureaucratic and high-cost direction.

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On EQ9 (sustainability): *How likely are FLEGT mechanisms, systems and positive impacts to be sustained and over what time frame? To what extent do the issues addressed by FLEGT interventions continue to require action at the EU level, and what could be the consequences of stopping the EU interventions? What factors and conditions foster sustainability of FLEGT results? What are the linkages, spin-offs or synergies of FLEGT action with wider multi-lateral processes, such as UNFF, international initiatives such as the US Lacey Act or the UN-REDD mechanism?*

- It is difficult to estimate the time frame required for sustain FLEGT actions. It is already known that time required for VPA processes has been longer than anticipated. Stopping EU interventions would discourage third countries' actions including capacity building and governance towards improved legality and eventually sustainability. Sustainability of FLEGT results will be achieved in long-term by maintaining and enhancing the close linkage to markets and demand. In long-term, it is important to find ways to develop compatible approaches to timber legality issues at multi-lateral and/or global level. Further synergies should be examined through variety of platforms, e.g. UNFF and related work on forests governance.

On EQ10 (coherence and added value): *How have coherence and complementarity for FLEGT been pursued, to what extent have FLEGT measures complemented, duplicated or contradicted other EC, MS and other donor policies, strategies and programmes, and how have interferences been handled? To what extent does the EU action under the FLEGT AP add value to what would have resulted from Member States' interventions in the same context?*

- No contradictions are being observed between FLEGT AP and MS actions. However, it is important to put into consideration how synergies within the FLEGT AP, such as VPAs and EUTR could be further strengthened. The EU context and action at the Union level is integral for coherent implementation throughout the EU and for achieving the level playing field.

1. Main Conclusions and Recommendations

Conclusion

FLEGT is mostly considered important in as far as it targets promoting sustainability (of forest management) and local communities in a positive way, in a global, and not just an EU perspective.

Conclusion

While the FLEGT Action Plan did not have the intention of improving legality or governance in the forest sector of countries like Finland, it still has had important intended and unintended effects. The main intended effect achieved is the level playing field for all actors in the forest sector; however, the adoption of a similar approach by 'other actors' in the same sector was identified as a challenge for the EU. An example of an unintended effect is that local authorities have developed a new and improved perspective on forest data and analysis allowing for better identification of irregularities.

Recommendation 1

- *The EU should strengthen its efforts to achieve a level playing field for the forest sector globally.*

Conclusion

FLEGT - and VPAs in particular, are considered a highly relevant instrument contributing to the transition from development cooperation to trade and economic partnerships between EU MS and middle income countries, with benefits in the areas of environment, governance and private sector engagement. But the functionality of the VPA instrument is yet to be proven.

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Recommendation 2

- *In order to give credibility to the VPA scheme it is now crucial to render the system functional and to get FLEGT licensed timber shipments entering the EU. This would allow for assessing the functionality of the (FLEGT/VPA) system and for continual improvement.*

Conclusion

The implementation of the EUTR is uneven, causing market distortion, and obligations deriving from the EUTR are a challenge for SMEs. Support (from Member States and the Commission) for small businesses aiming to comply is considered to be low.

Recommendation 3

- *Efficient implementation of EUTR in all MS is necessary in order to avoid market disturbances. It is also crucial to keep the competitiveness of the EU forest sector in mind, including cost efficiency of implementation and avoidance of trade barriers or unnecessary additional administrative burden.*

Conclusion

All of the action areas are considered important, whereas the implementation of the FLEGT Action Plan has much focused on VPAs and EUTR, as the only areas for which implementation tools have been developed.

Recommendation 4

- *A more balanced implementation of FLEGT action across all areas is desirable and may require analysis where EU and MS intervention brings the added value most and development of appropriate tools.*

Conclusion

Finland has a policy in place for promotion of the use of wood, in order to increase benefits and advantages of using (sustainably produced) wood as a raw material meeting modern environmental and climate protection criteria, emphasising the importance of wood in public sector construction. Such policy could serve as an example for EU-level policies in support of FLEGT.

Recommendation 5

- *The FLEGT Action Plan could enhance benefits in terms of sustainable forest management if more stringent policies were adopted, EU wide, on use of sustainably produced timber as an environmental and climate friendly construction material.*

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Annex 1 Mission Schedule

THURSDAY, JUNE 11TH

Kick-off meeting with stakeholders representing companies, associations, NGOs, public authorities	
9.00	<p>OPENING AND INTRODUCTIONS</p> <ul style="list-style-type: none"> - Introduction of the evaluation team and schedule - Presentation of the actors: involvement in FLEGT: who is who, doing what? - Presentation by focal point on FLEGT and EUTR action in Finland - Discussion
10.15	Coffee break
10.30	<p>MAPPING ACTIVITIES UNDERTAKEN</p> <ul style="list-style-type: none"> - Discussion on the FLEGT time line and perception by the participants: how and when were Finnish actors involved in FLEGT? - Discussion on the intervention theory of FLEGT as a visual aid to help understand the objectives and logic of actions
11.15	<p>DISCUSSING EFFECTS AND IMPACT</p> <ul style="list-style-type: none"> - A short participatory work on outcomes -outputs- impacts and three main questions below <ul style="list-style-type: none"> o Description: Who/what changed, when, and where? What is the observable change? Why is this change important? o Mechanisms, actors and factors: What mechanisms, actors and factors contributed to the outcome/impact? o Contribution: How did FLEGT AP contribute to this outcome/impact? - Discussion
12.30	Lunch
13.30	Meeting with FLEGT/EUTR officials (Min. of Agriculture and Forestry, Min. for Foreign Affairs)
16.30	Meet Indufor EU-TR Review Team (Majella Clarke, Head of Climate Change Consulting, Sepul Barua, and Miika Malmström) to coordinate FLEGT AP evaluation and EU-TR review

FRIDAY, JUNE 12TH

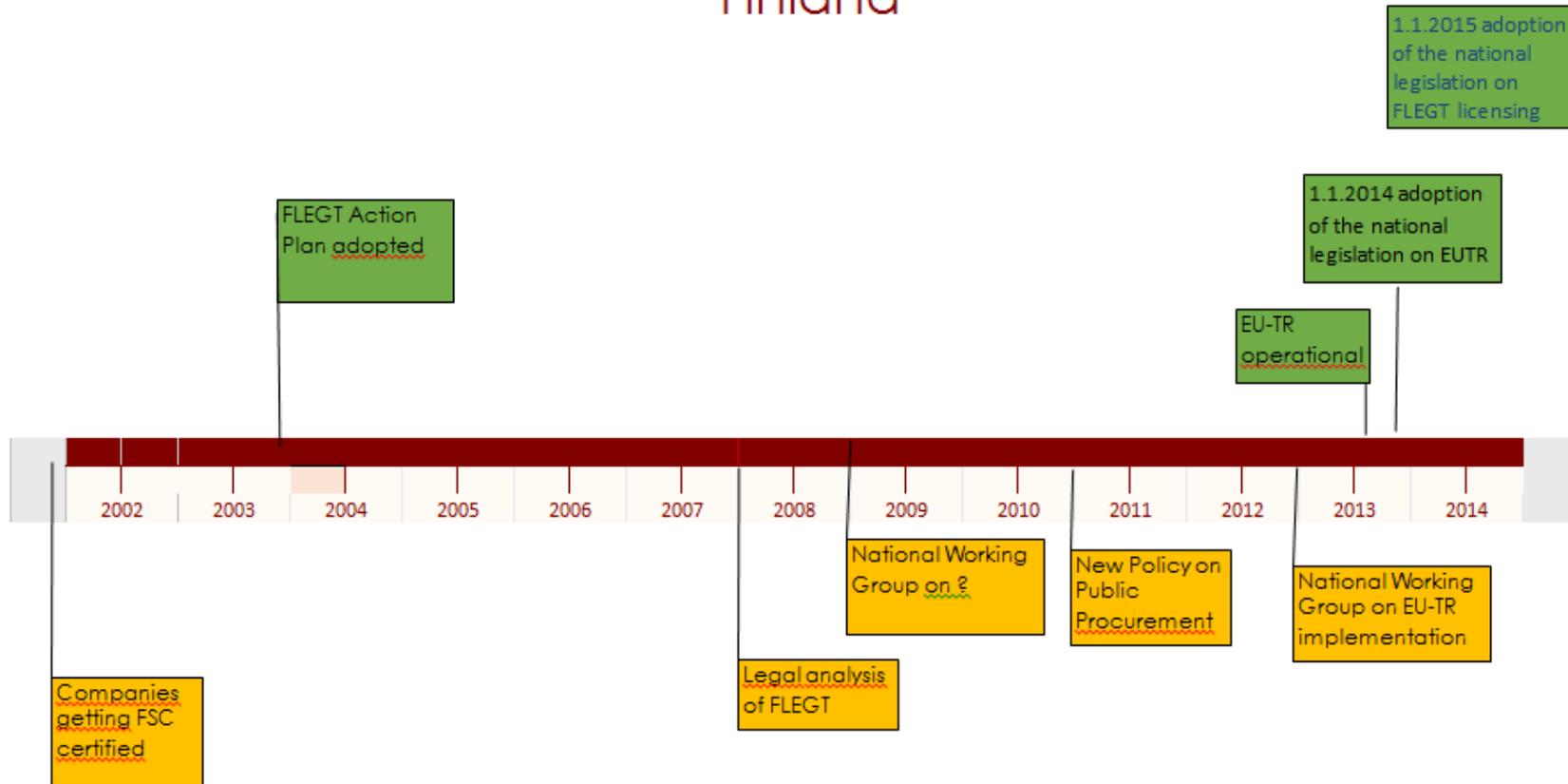
9.30	Meeting UPM (large forest company)
11.30	Meeting with WWF Finland
13.30	Lunch
14.30	Meeting Metsä Group (large forest company) with substantial trade with Russia

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Annex 2 FLEGT Timeline (Finland)

Finland



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Annex 3 Snapshot of the brochure on the EU Timber Regulation by MAVI (Agency for Rural Affairs)

Examine the regulation more closely!
www.mavi.fi

EU timber regulation requires use of legal timber

The EU wants to prevent the entry and use of illegal timber and its refined products in the EU. Illegal timber is timber and wood products harvested, transported or sold in the country of origin in violation of national laws. EU timber regulation (EUTR 995/2010) will be applied in EU countries as of 3 March 2013.

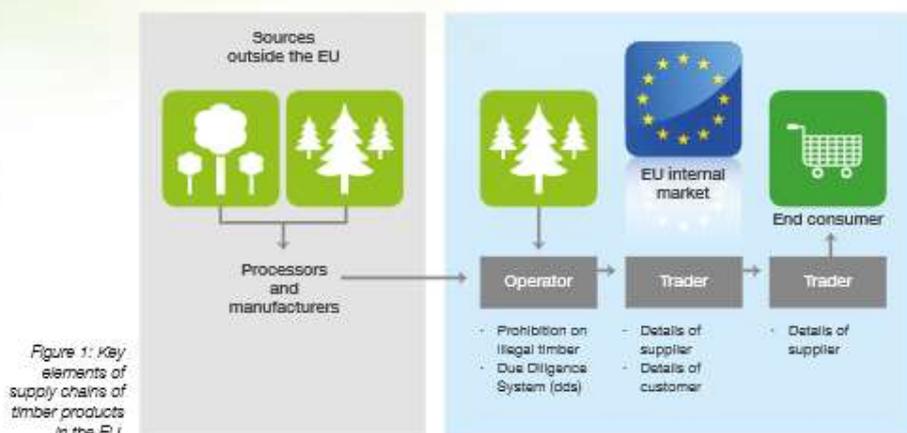
The EU Timber Regulation is based on the Forest Law Enforcement, Governance and Trade (FLEGT) EU scheme. Each EU state appoints a competent authority to control compliance with the regulation. In Finland, the Agency for Rural Affairs will perform official tasks related to applying the regulation.

Globally, the growing use of illegal timber and wood products is a significant problem. The impact is environmental, financial and social. Illegal felling has a significant impact on deforestation, climate change and the reduction of biological diversity. It also weakens the competitive status of law-abiding operators in export and import countries and causes considerable loss of income for states. Furthermore, illegal felling prevents sustainable development in developing countries, as it may involve serious violation of human rights and the profits are often used for funding warfare.

To whom and what does it apply?

The Timber Regulation will be applied to timber harvested in the EU and timber imported to the EU. EU laws set timber and wood product importers and salespeople in a responsible position. When timber and wood products enter the EU market for the first time, the supplier shall ensure that there are no products in which illegal raw material have been used. The regulation applies to the importers (operators) of timber and wood products reaching the EU market for the first time, and within the EU, to traders who deal timber and wood products (fig.1).

The regulation will be applied to raw wood and timber products such as plywood, cardboard, furniture, pulp and paper. The regulation will not be applied to recycled products, cane, bamboo, or printed paper, such as books, magazines and papers.



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Situation de la France au regard de l'action FLEGT :

a) Historique du Processus FLEGT en France

La France, en tant que pays membre de l'Union européenne et acteur historique de la construction européenne, a participé à l'avènement de FLEGT (dans les comités FLEGT à Bruxelles, notamment depuis 2002. Un résumé graphique de l'historique de la mise en œuvre du « Processus FLEGT » en France est fourni à l'Annexe 1 du présent aide-mémoire. Les grandes étapes sont rappelées dans le tableau suivant avec un peu plus de détail.

	Activité FLEGT niveau UE/CE	Activité FLEGT France
2002		Début de la participation du Gouvernement dans l'un des comités UE/CE consacrés à FLEGT, y compris le Groupe de travail FLEGT "Ad hoc" depuis le début Début du processus participatif pour les parties prenantes dans FLEGT (MAAF/MAE)
2003	Publication du Plan d'Action et approbation par le Conseil	
2005	Adoption de la Règlementation 2173/2005 du Conseil	Désignation de l'institution en charge de FLEGT (MAAF) Nomination du Point focal FLEGT (au MAAF) Promotion du bois certifié dans les marchés publics (avril 2005 et 2010) Début du soutien aux pays producteurs
2008		Début de la phase d'information du public (2008/09) Soutien d'initiatives du secteur privé (ATIBT, LCB...)
2010		Soutien à la Facilité FLEGT de l'UE
2011		Publication de la brochure « Passeport pour le bois » (09 2011) L'ATIBT crée son site 'Global timber information website'
2013	Le RBUE entre en vigueur (mars 2013)	Désignation des autorités compétentes Le MAAF crée son site Internet
2014		Publication de la législation française sur le RBUE (régime de sanctions – oct.14) Méthodologie du contrôle et formation - 2014 (MAAF), 2015 (MEDDE) Premières Organisations de contrôle reconnues pour la France (2014/15)
2015	Evaluation du Plan d'Action FLEGT, Examen du RBUE	Premiers contrôles RBUE et sanctions

b) Principales parties prenantes

La mission a contacté le Point focal pour FLEGT en France, au sein du Ministère de l'Agriculture, de l'Agroalimentaire et de la Forêt (MAAF). Avec l'aide du Point focal, la mission a ensuite pu identifier les principaux groupes de parties prenantes et leurs représentants à rencontrer. Le tableau contenant la liste des

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participants aux différentes rencontres et entretiens, ou avec qui l'évaluateur a été en contact dans le cadre de la mission, figure en Annexe 2 dans cet aide-mémoire.

c) Programme de la mission

Avec l'assistance du Point focal, l'évaluateur a pu élaborer le Programme de la mission, lequel figure, tel que réalisé, à l'Annexe 3 du présent aide-mémoire. La durée de la mission de terrain en France a été programmée en concordance avec le plan de travail de la mission globale d'évaluation du Plan d'Action FLEGT.

d) Points d'attention particuliers

Les principaux « points d'attention » identifiés pour la mission d'évaluation en France ont été les suivants :

Contexte : La France a une certaine influence – en tant que pays à la fois forestier et producteur, importateur et transformateur, consommateur et exportateur – sur les marchés du bois, et du bois légal et durable en particulier. Elle a une histoire et une relation particulières avec les pays tropicaux, notamment en Afrique francophone. Elle a une tradition, aujourd'hui en déclin, d'importation de bois tropicaux en grumes, mais reste présente à la production via des entreprises françaises⁷ dans les pays producteurs. Elle a eu un rôle moteur dans la construction européenne. Comment ce contexte agit-il sur les aspects suivants liés à FLEGT :

- Du fait de ses traditions d'importation de bois d'une part, et de production domestique d'autre part, **comment l'industrie française perçoit-elle FLEGT** à ces deux niveaux, et en particulier la mise en place des **accords de licence avec les pays APV** et du **RBUE pour les productions UE et hors UE** ?
- Du fait de ses relations particulières avec un certain nombre de pays tropicaux, notamment en Afrique francophone, **comment le Gouvernement français perçoit-il l'efficacité de l'appui fourni aux pays producteurs à travers les APV**, en matière notamment *d'amélioration de la gouvernance* (transparence, reddition de comptes, équité notamment en faveur des plus pauvres) et de *mise en place de systèmes de vérification de la légalité* ?
- Quels sont, **du point de vue des autorités de contrôle françaises, les défis particuliers posés (1) par le RBUE** (mise en œuvre de la Diligence raisonnée par les entreprises, contrôle par les autorités compétentes - importations hors UE / productions UE et domestique, cohérence entre Etats membres et entre les différentes sources d'approvisionnement) et (2) par la **vérification des licences FLEGT** (le cas échéant) ?
- Par rapport au modèle de gouvernance à la française, traditionnellement centralisé et étatique, comment la société civile de ce pays juge-t-elle le processus participatif FLEGT mis en place en France, les efforts accomplis et les résultats obtenus ?
- A un niveau plus général **se pose, pour le Gouvernement français, la question de la cohérence** (synergies, divergences) de l'action relative à FLEGT, respectivement de la France et de l'UE sur les possibles aspects suivants :
 - (i) *Vision et politique générale sur le développement durable, la place des forêts et la gestion durable, les usages du bois ?*
 - (ii) *Actions en faveur de l'environnement mondial et de la GFD, notamment à travers l'AFD ?*
 - (iii) *Implication dans les initiatives internationales (REDD+, UNFF etc.) ?*
 - (iv) *Engagement auprès des pays producteurs (coopération au développement) ?*
 - (v) *Mise en place du RBUE ?*
 - (vi) *Mise en place des règles des marchés publics ?*
 - (vii) *Soutien aux initiatives du secteur privé ?*
 - (viii) *Soutien à la société civile ?*
 - (viii) *Sensibilisation des consommateurs ?*

e) Atelier

⁷ A capitaux majoritairement français.

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L'atelier de lancement de la mission, qui a compté au moins 17 personnes ayant émargé sur la liste des participants, a donné lieu notamment :

- à la reconstitution de l'historique de la mise en œuvre du processus FLEGT en France (cf. Annexe 1) ;
- à un travail participatif sur la perception des résultats et impacts du processus (ce qui s'est passé, ce que cela a produit), suivi d'une discussion, en appui sur les trois questions ci-dessous posées aux participants :
 - Quels sont les changements observés (QUI / quoi a changé, quand, et où) ? Pourquoi ces changements sont-ils importants ?
 - Quels mécanismes, acteurs et facteurs ont contribué aux résultats/impacts identifiés ?
 - Comment le Plan d'Action FLEGT a-t-il favorisé, contribué à ces résultats/impacts ?

Note: Il n'était pas pertinent à ce stade de demander si les changements sont des résultats et/ou impacts. Il a été précisé que les changements peuvent être positifs ou négatifs, et attendus ou inattendus.

Etant donné la durée limitée de la mission, il n'a pas été prévu de convoquer à nouveau un atelier de restitution des résultats en fin de mission.

Principaux résultats

Les résultats collectés au cours de la mission ont été largement réutilisés dans la partie suivante (3. Principales conclusions et recommandations). Le détail de ces résultats a été reporté en Annexe 4.

Résumé, principales conclusions et recommandations

1) Sur la pertinence du choix de la légalité comme objectif principal dans le P.A. FLEGT en 2003, par rapport à la gestion durable ; conséquences et gestion de ce choix

Résumé et conclusions

Selon un positionnement non nécessairement attendu, les ONG françaises rencontrées justifient la **priorité donnée à la légalité par rapport à la gestion durable** (GD) - ou « durabilité » - dans le Plan d'Action (P.A.) FLEGT en 2003 (abattage illégal, « une cause de déforestation sur laquelle on pouvait agir », « faire baisser la proportion de bois illégal était indispensable, un préalable », « plus faisable à première vue », « la première voie à suivre est bien la Loi, la Réglementation »). En même temps, « se concentrer sur la légalité [vs. la durabilité] n'emporte pas la même adhésion et des résultats aussi ambitieux ; FLEGT aurait eu un impact supérieur si la GD avait été choisie comme objectif [vs. la légalité] ». Le « relèvement de l'objectif principal du P.A. FLEGT à la gestion durable (et à la lutte contre la déforestation⁸) pour réduire l'emprunte forestière de l'UE » dans une nouvelle version du P.A. est donc souhaité, et estimé réalisable sous certaines conditions (« déjà rendre lisible la Loi, faire appliquer les textes » ; « combler le fossé actuel entre légalité et durabilité dans les lois nationales »). « L'incohérence du soutien de l'UE à des activités/projets incompatibles avec la bonne gestion forestière » est toutefois dénoncée (« aide aux mauvais opérateurs, accent trop mis sur le commercial » ; à quoi il faut ajouter les mesures qui favorisent la conversion des terres et la déforestation dénoncées par de nombreuses ONG). On retiendra le souhait des ONG rencontrées de voir l'objectif principal

⁸ Hors FLEGT toutefois (« FLEGT ne peut prendre en charge que la vente de bois de conversion illégale ; ne peut pas répondre aux enjeux globaux de déforestation »).

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du P.A. FLEGT relevé à terme de la légalité à la gestion forestière durable (et si possible à la lutte contre la déforestation).

Par rapport à l'objectif actuel du P.A. FLEGT de lutte contre l'abattage illégal, le **recours à la certification volontaire** est l'objet d'un double débat : 1) sur l'utilisation de la certification (c.à.d. la certification par une tierce partie indépendante selon un système reconnu internationalement), comme instrument de vérification du respect de certains critères, aux niveaux légalité et gestion forestière durable (GFD) et, 2) sur le recours à la certification de la GFD comme évidence de légalité dans la Diligence Raisonnée (DR) du RBUE.

La certification est en effet perçue différemment selon les acteurs :

- avec réserve par les ONG rencontrées (limites, complexité, controverses, disparité entre programmes ; « ne peut être un élément unique de SDR (Système de diligence raisonnée) » ; « pas de reconnaissance automatique »), pour qui par ailleurs la Vérification de Légalité (VL) est une fonction régaliennne (« la certification ne doit pas remplacer la loi et le contrôle régaliennne » ; « le volontaire doit rester volontaire et apporter une valeur ajoutée par rapport au contrôle régaliennne » ; « ...opposition fondamentale au transfert de la VL au privé, considérée comme une profonde dérive : l'Etat est garant, il s'agit d'une fonction régaliennne. Accessoirement, l'un des problèmes serait de savoir "qui paye qui et pour quoi". »).
- La faiblesse de la certification sur la partie Légalité est reconnue par PEFC France : la vocation du programme est de certifier la GD, pas la légalité (celle-ci est largement présumée, sa vérification étant une prérogative des autorités du pays), ni de traiter le « non-certifié » [référence supposée aux « bois contrôlés » non certifiés (façon Programme FSC Controlled Wood), ou à une certification par étapes, qui couvrirait la légalité] ; au PEFC, l'évaluation du programme ne portera pas sur le respect de la Loi). Le FSC estime en revanche apporter des garanties sur la légalité (FM, CW). Sur cette question de la faiblesse éventuelle de la certification sur la partie Légalité : selon une ONG, « C'est aussi bien comme ça ; la VL n'est pas le but de la certification... »⁹.
- Face au risque d'illégalité, un représentant du secteur du négoce dit choisir le bois certifié (si disponible) ou s'abstenir, mais il est confronté au manque de matière (« qui peut provoquer une baisse de la vigilance chez certains acheteurs »). Il reste par ailleurs « en attente des licences FLEGT » comme alternative à la certification et pour faciliter l'application du RBUE. Il n'est toutefois pas rapporté d'augmentation nette globale des surfaces/volumes certifiés (l'augmentation serait surtout « pour des achats à partir des pays considérés à risque, due à quelques opérateurs pour répondre au marché européen ») et aussi par inadéquation de l'offre (voir la partie Soutien aux Initiatives du Secteur Privé) ; « l'impact de la certification sur les forêts sera finalement limité ». De la part des tenants de la certification, il y a au contraire une forte demande de « reconnaissance des certificats privés émis à la source » et de « prise en compte de la certification dans les procédures mises en place (RBUE/APV) ». « Un certificat de GFD est l'indication d'un risque faible, requérant un travail minimum pour l'acheteur » [soit utilité, efficience], « Il n'y a finalement pas mieux ! », « La fonction régaliennne aussi a ses limites : de moins en moins de moyens, et un niveau de compétence (en audit) qui ne correspond pas [initialement] au besoin » ; « on ne voit pas les pays APV réunir les garanties de légalité comparables à un certificat FSC ; la question du rapport coût-bénéfice doit être posée ».

⁹ Ce qui, pour la présente évaluation (1) signifierait à la fois une reconnaissance de ladite faiblesse et (2) suggérerait que, si la certification n'a pas vocation à prendre en charge la VL, elle n'a pas non plus vocation à être utilisée pour *prouver* la légalité, dans le cadre du RBUE notamment ; façon d'insister sur le caractère régaliennne de la fonction de contrôle.

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- La France, cas unique à cet égard, à travers son Autorité Compétente reconnaît la certification (GDF pour le bois de France, CdC pour les importations) comme preuve suffisante de légalité¹⁰. En termes de soutien aux Initiatives du secteur privé (ISP) : la France a soutenu la création du PEFC France en 2009 et les cinq premières années de fonctionnement avec des sommes considérées importantes.
- Il est également noté que « l'objectif supérieur de gestion durable [de FLEGT] est atteint par la certification ». Mais pour couvrir la Légalité les standards (référentiels) de la certification de la GFD devront au moins atteindre, et si possible dépasser, les exigences contenues dans la Loi applicable dans FLEGT, comme actuellement la Certification de Légalité (OLB, VLC etc.) et la Certification de la GFD (FSC) s'y emploient (cf. processus d'alignement au Cameroun par exemple, pour la reconnaissance des certificats privés).

Il ressort des entretiens menés qu'il n'est pas fait de distinction actuellement, dans la pratique RBUE actuelle, entre les différents certificats, malgré les différences entre les principaux programmes de certification forestière (pleinement assumées, selon PEFC France) et des niveaux d'exigence (standards et procédures) variables entre FSC et PEFC d'une part, et entre PEFC nationaux et régionaux d'autre part (pour un même logo PEFC unique) ; ni même entre FSC Pure et FSC Mix, par exemple, alors que ce dernier permet un certain pourcentage de bois non certifié mais seulement contrôlé (sous FSC *Controlled Wood*). De fait, « la certification recouvre des réalités différentes, non reflétées dans la communication, ni dans les labels ». Selon PEFC France, les différences ne nuisent toutefois pas à la reconnaissance du certificat PEFC dans le cadre du RBUE. Cette situation justifie une demande pour un « alignement plus fort entre les différents mécanismes (APV, RBUE, CITES, marchés publics, certifications), pour éviter la multiplication de niveaux d'exigence et de conformité différents ». A cet égard, les règles de passation des marchés publics en France (« plutôt un héritage des processus « Grenelle de l'environnement » 2007-2009 que de FLEGT ») sont faibles par rapport à d'autres pays membres de l'UE : circulaires 2005-2008 incitatives (non contraignantes) ; principe selon lequel le recours au bois éco-certifié doit être favorisé autant que possible ; application par fixation d'objectifs et mesure de performance. Mais « l'exigence de certification dans les appels d'offres est souvent mal exprimée (critères environnementaux peu clairs), mal utilisée et mal contrôlée (mécanismes de la chaîne de contrôle non respectés) ».

On voit que la certification est davantage appréciée des ONG comme une *valeur ajoutée au contrôle régalién de la Légalité*, et qu'elle est également considérée comme telle par une partie au moins des programmes de certification ; ceux-ci souhaiteraient néanmoins que les certificats soient plus largement reconnus comme preuve suffisante de légalité dans le contexte du RBUE (à l'exemple de la France). La réconciliation de ces deux objectifs pourrait passer, sur la partie Légalité, par un renforcement de l'utilisation de la certification en tant qu'outil de *validation indépendante de la bonne exécution du contrôle régalién*¹¹. Par ailleurs, l'utilisation étendue de la certification demanderait un alignement des « standards » pour apporter de la clarté y compris pour les marchés publics.

Recommandation 1

¹⁰ L'Instruction technique DGPAAT/SDFB/2014-992, du 08/12/2014 définit la procédure de contrôle des opérateurs concernés par le RBUE. Dans la section 2.1.2 Vérification de la procédure d'évaluation des risques (p.6), il est mentionné qu'un certificat FSC ou PEFC, ou un certificat de légalité peut permettre de considérer que le risque est négligeable.

¹¹ Selon une approche effectivement mise en œuvre dans certains référentiels de certification de légalité.

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Envisager le relèvement de l'objectif principal du P.A. FLEGT, du niveau de la lutte contre l'abattage illégal (objectif de « bois légal ») à celui de la gestion durable (objectif de « bois légal et durable ») comme c'est déjà le cas pour les marchés publics dans plusieurs pays membres.

Cette mesure entraînerait une plus large adhésion des parties prenantes. Pour pouvoir conserver le *principe de référence à la Loi* dans FLEGT, il faudra combler le fossé actuel entre Légalité et Durabilité dans les lois nationales. Les réformes législatives et réglementaires nécessaires dans les pays producteurs, également pour rendre la Loi plus lisible et applicable, sont des processus de long terme. Entre temps, la lutte contre l'abattage illégal devrait être poursuivie sans relâche, sur la base des textes existants, tandis que les réformes sont menées en parallèle. Le passage à une Loi qui contient et met en application les principes de la gestion durable dans un pays producteur APV pourrait être défini comme une étape dans une mise en œuvre de l'APV par phases (comme préconisé par ailleurs). La certification pourrait conserver une valeur ajoutée du fait de son champ d'application, si la légalité se limite aux principes de base de la gestion durable (ex. : volume d'exploitation limité par la régénération naturelle) sans atteindre les standards actuels de la certification.

Encourager le renforcement de la certification en tant qu'outil de *validation indépendante de la bonne exécution du contrôle régalién de la Légalité* ainsi qu'un alignement des standards sur une méthodologie qui permette la reconnaissance des certificats comme preuve suffisante de légalité dans le contexte du RBUE.

2) Sur la mise en œuvre des APV

Résumé et conclusions

Les aspects positifs des processus APV sont soulignés comme autant de « valeurs ajoutées » par FLEGT dans les pays producteurs APV :

- gouvernance forestière mise à l'agenda politique, même si sa méthodologie reste sujette à débat ; mise en place d'un processus d'amélioration continue de la gouvernance (générale et forestière) ;
- renforcement du cadre législatif y compris les droits des populations autochtones ;
- dynamique positive des processus multi-acteurs ;
- la formation des acteurs ;
- le dialogue entre les acteurs du marché ;
- une coopération qui se veut « globale » ;
- la transparence de l'information...

Mais des aspects négatifs sont aussi exprimés : a. Un impact des APV difficilement mesurable en l'absence de mise en œuvre effective ; le secteur du négoce « reste en attente des licences FLEGT » ; une ONG n'espère un impact sur les gouvernements qu'à moyen/long-terme ; des atteintes ou manquements à la bonne

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gouvernance sont même observés dans certains cas¹² ; il y a un manque de réaction aux rapports des ONG ; b. « Le manque de fermeté de l'UE dans les négociations APV, un levier UE moins puissant qu'espéré (posture diplomatique, respect de la souveraineté, absence de modèles), et un manque de capacités pour la mise en œuvre » ; et que « l'absence de conditionnalité dans les rapports bilatéraux au nom du respect de la souveraineté amène à des incohérences et à une inefficacité » ; c. Au niveau français, un manque d'implication ou de visibilité de la France sur les APV, en France et sur le terrain (à part l'AFD), et un isolement de la représentation diplomatique française (au Cameroun).

La lenteur de la mise en œuvre des APV apparaît comme le problème à résoudre : outre certains souhaits quelque peu incantatoires (« Il faut finaliser [aller au bout], maintenir les efforts, consolider les résultats »), il y a un besoin « d'accélération », « d'application de plans et programmes concrets », de pragmatisme pour « réaliser des améliorations ponctuelles (sans attendre que l'ensemble soit opérationnel), en travaillant par petites touches ». Dès lors, l'idée du phasage de la mise en œuvre des APV, à certaines conditions (« priorités identifiées, ordre logique pour une amélioration progressive »), semble faire son chemin : au niveau Etats Membres (« processus d'amélioration continue, avec des étapes à franchir »), et parmi les ONG françaises rencontrées (« désirable par pragmatisme... »). Sans la signature des APV et l'émission des licences, toutefois, une ONG estime que le dispositif pourrait être fragilisé. Sur la question de la reconnaissance de différentes approches, et différents modèles et outils possibles pour les APV, en vue de palier le manque de capacité existante supposé au sein des institutions publiques pour mettre en œuvre un SVL rapidement : selon une ONG, la sous-traitance est « acceptable à condition que la délégation soit claire et contrôlée » ; « les délégations de service public ne sont pas une hérésie » particulièrement quand elles s'inscrivent dans un processus de transfert de capacité à terme.

Entre FLEGT et REDD : Il y a « nécessité de faire jouer les synergies (cartographie, aménagement) et de gérer les risque de doublons [des structures/activités] en particulier sur le foncier (aménagement du territoire, problème de l'accaparement des terres...). Exemple : au Cameroun, deux processus différents sur le palmier à huile ».

On voit que, malgré des effets positifs des processus en cours, la mise en œuvre des APV se heurte à un manque de résultat. Face au manque de capacités pour assurer cette mise en œuvre, l'UE doit proposer un cadre plus clair avec une progression par étapes et/ou recourir à la délégation de service public au privé dans le cadre d'un processus de transfert de capacité progressif.

Recommandation 2

L'amélioration continue de la gouvernance dans les pays APV, principal effet des processus APV, peut justifier de maintenir les efforts FLEGT. Toutefois la lenteur du processus pose un problème d'efficience, surtout en l'absence d'un cadre délimité et balisé pour l'action.

Une nouvelle approche plus pragmatique est donc nécessaire, sur la base d'actions qui s'inscrivent dans un plan de mise en œuvre, structuré en phases, et dans une échelle de temps pour atteindre le but final, l'émission des licences FLEGT. Les financements doivent être liés à ces actions concrètes, orientées vers des

¹² L'ONG cite, pour le Cameroun : la mesure de conservation du couvert de forêt naturelle supprimée/neutralisée, un problème de conversion (mauvaise prise en compte des titres de conversion, Herakles Farm), l'absence d'Observation Indépendante pour diffuser des rapports sur l'état de la gouvernance et la légalité (utiles au RBUE), et le manque de réaction aux rapports des ONG pourtant suffisamment lus, pris en compte, et reconnus crédibles (ex. : rapport 'License to launder' sur les limites à l'action, y c. judiciaire ; pour la RDC : un code forestier trop ambitieux, et des échéances de révision des attributions et plans d'aménagement pas tenues, amenant un certain découragement.

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résultats. Le modèle appliqué dans chaque pays doit être choisi entre des modèles existants clairement théorisés, éventuellement adaptés aux spécificités du contexte local du pays. Pour pallier le manque de capacité existante au sein des institutions, la délégation de service public au privé dans le cadre d'un processus de transfert de capacité progressif peut être envisagée. Les différents APV doivent finalement converger vers des exigences minima communes afin d'assurer une harmonisation et des règles du jeu équitables (sans distorsion de concurrence) entre les APV. L'alignement des exigences entre APV et RBUE doit aussi être recherché.

3) Sur la mise en œuvre du RBUE

Résumé et conclusions

Concernant l'adaptation du secteur privé, des points positifs ont été exprimés : les entreprises adaptent leur comportement (la gestion des risques – risques financiers, juridiques, et pour l'image et le fonctionnement de l'entreprise – s'effectue au niveau de la Direction) ; la vigilance sur la légalité des bois est intégrée dans les procédures et les réflexes ; mise en place de chaînes de contrôle (CdC) chez tous les membres importateurs de LCB (pour la France) ; sélection d'un nombre réduit de fournisseurs fiables, adoption de circuits commerciaux courts, voire intégrés, présence à la source, prudence dans les achats d'urgence... Les effets positifs de ces changements incluent : assainissement du marché, plus grande transparence, gestion des achats simplifiée et allégée, et potentielle réduction des coûts (nombre et marges d'intermédiaires réduits) ; avec toutefois des réserves : atteinte à la confidentialité des sources et circuits d'approvisionnement, détournement des producteurs vers des marchés moins exigeants, déplacement de l'illégalité... Des points plus négatifs sont également exprimés : « Mettre la responsabilité sur les Opérateurs RBUE est une bonne idée, mais le poids sur les importateurs est énorme, et beaucoup n'ont pas la capacité voulue pour mettre en œuvre un SDR ».

Sur la conception et l'application du RBUE : a. Nécessité d'un « alignement entre les différents mécanismes (APV, RBUE, CITES, marchés publics, certifications), pour éviter la multiplication de niveaux d'exigence et de conformité différents » ; b. « La traçabilité est le maillon faible » (l'exigence de traçabilité est peu clairement exprimée dans le RBUE et dans les instructions aux agents de contrôle en France et difficile à respecter en l'état) ; c'est un réel problème et les solutions manquent » ; c. « Incohérence de la liste des produits soumis au RBUE » (ex. : le charbon de bois, l'une des grandes causes de déforestation, n'est pas inclus dans le RBUE ; la table oui, la chaise non ; le papier imprimé non), « source de confusion et de délais dans la mise en œuvre par les entreprises ». Il conviendrait « d'inverser la liste, pour plutôt lister ce qui n'est pas compris » ; d. « La charge de la preuve repose sur l'opérateur, alors que la preuve est détenue par le fournisseur qui, lui, n'est pas directement visé (d'où une gestion lourde et le problème de la qualité de la preuve ainsi transmise) ; il faut croire à un enchaînement vertueux dans le temps » (vertu de la transparence de l'information sur la chaîne d'approvisionnement, malgré la perte de confidentialité commerciale résultant (voir ci-dessus), qui peut représenter un frein au commerce).

Sur le contrôle par les Autorités de Contrôle (AC) : a. « Les Etats membres doivent appliquer le RBUE de manière très active, et uniforme (problèmes de disparité, stratégies de contournement), et renforcer les contrôles pour assurer que les opérateurs appliquent également le RBUE » ; b. « Besoin d'harmonisation des contrôles à l'échelle de l'UE (i) entre les pays membres (législation, mise en œuvre du contrôle par les Autorités Compétentes) et (ii) entre les Organisations de Contrôle » ; c. Besoin/opportunité de « renforcement de la méthodologie du contrôle » des importations (actuellement documentaire) pour vérifier pas à pas la chaîne d'approvisionnement déclarée et l'authenticité de la source (investigation qui représente toutefois des défis en termes de logistique, coût et réponse des pays tiers ; défis de récolement

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des volumes à chaque étape) en l'absence d'un système de traçabilité global ; d. Les productions nationales, également visées, sont actuellement négligées dans la communication FLEGT.

FLEGT (le RBUE) a des « **effets indésirables** » en termes : (i) de « bureaucratie, à mettre en balance avec les avancées », et (ii) « d'augmentation des coûts (fonction « sourcing » alourdie pour les distributeurs, prix du bois certifié ou à bas-risque, parfois des coûts de transports supérieurs, coûts externes d'audits fournisseurs et audits « à la source », surtout pour les bois non certifiés (pas supportables sur 100% des produits), divers (Org. de contrôle...)) ». Un commentateur pose la question d'une « participation aux frais » (pour les surcoûts non absorbés par les clients ; soutien financier des bailleurs nécessaire ?).

De nombreux **défis dans la mise en œuvre** (en France, et sur un plan général RBUE) : a. Lenteur du processus FLEGT (RBUE) en France, initialement, qui fait place à une interrogation sur le niveau d'exigence et de performance dans l'application ; b. Manque de clarté du cadre réglementaire, sur la traçabilité, notamment ; sur la prise en compte de la gravité des infractions ; sur la fiabilité des documents officiels¹³ (ex. récent du Brésil, « Que valent les tampons officiels sur les documents russes qui arrivent en Finlande ? ») vs. la prise en compte des rapports ONG/tiers ; et sur la question de l'application de la Diligence Raisonnée, avant ou après achat ; c. Réalité de la traçabilité (de la chaîne d'approvisionnement « et de sa réplique pour chaque nouvelle expédition » s'y rapportant) ; d. Besoin d'appropriation de méthodologies éprouvées en matière de DR par les opérateurs ; e. Accès aux informations DR/légalité (ex. : réglementation des pays d'origine).

Limites de la certification pour appliquer les obligations RBUE de traçabilité et de transfert de l'information sur les essences et l'origine des bois par essence, particulièrement pour les produits composés multi-sources comme les panneaux : a. « ...des exigences supplémentaires par rapport à la certification, que la certification ne peut satisfaire et auxquelles les entreprises ne savent pas comment répondre. Le RBUE n'est donc pas appliqué à ce niveau, ce qui pose la question de son utilité dans sa forme actuelle » ; b. Les tenants de la certification souhaiteraient « que ces exigences du RBUE en matière de traçabilité géographique et d'identification des maillons de la chaîne d'approvisionnement ne s'appliquent pas en cas de certification » ; (« privilégier [se limiter à] l'encouragement, les incitations à progresser vers la GFD, surtout que les matériaux concurrents ne subissent pas les mêmes contraintes et ne souffrent pas d'une image négative » [due à la communication autour de FLEGT]).

De nombreux **défis propres à la France** : a. Faiblesse du processus participatif pour les parties prenantes dans FLEGT en France (processus non formalisé, société civile peu rendue visible, malgré l'action des grandes ONG à Bruxelles) ; b. Nombre [quantité] et formation en continu [qualité] des équipes en charge des contrôles (1,5 ETP répartis sur 20 DRAF, pris sur l'existant ; non-spécialisation ; problème de l'adaptation à un type de contrôle nouveau, atypique pour les agents de l'Administration forestière qui, d'inspecteurs deviennent auditeurs de systèmes) ; c. S'agissant de la production nationale, « manque de prise en charge de la problématique FLEGT (RBUE) par les forestiers français », en général ; « manque d'information vers les petits propriétaires forestiers », notamment pour fournir la preuve de gestion durable aux opérateurs exploitants ; importance supposée du problème des ventes/achats non- ou sous-déclarés ; faiblesse de la certification FSC Gestion Forestière en France (adaptation des standards FSC en cours ; 7 entreprises certifiées GF contre 800 certifiées CdC), un FSC quelque peu ostracisé par rapport au PEFC.

Recommandation 3

¹³ Voir à ce sujet le guide fourni par l'ONG ClientEarth : 'The use of official documentation in the context of the EU Timber Regulation-due diligence obligation', ClientEarth, 28.01.2015

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La composante « échanges commerciaux » de FLEGT et le principe de contrôle des exportations-importations ont contribué aux résultats positifs observés, dont un changement profond et durable dans la manière de commercer pour prendre en compte le souci de la légalité des bois mis sur le marché. Toutefois, la mise en œuvre du RBUE présente de nombreux défis.

Certains impacts mériteraient d'être étudiés plus largement, tels que a. la réaction des acteurs du secteur privé par rapport à l'atteinte à la confidentialité des sources et des circuits d'approvisionnement, b. les solutions possibles au détournement des producteurs vers des marchés moins exigeants, et c. les facteurs qui limitent la capacité des Opérateurs RBUE à mettre en œuvre un Système de diligence raisonnée (SDR) robuste.

Pour augmenter la capacité des Opérateurs, des Organisations de contrôle et des Autorités compétentes à remplir leurs fonctions plus efficacement, il faut :

- **clarifier certaines conditions de mise en œuvre du SDR, notamment :**
 - régler la question de l'application du SDR pour une chaîne d'approvisionnement donnée, *avant de procéder au premier achat ou après*¹⁴, et au moins une fois par an ensuite ;
 - mettre en cohérence la liste des produits soumis au RBUE, en identifiant plutôt les exclusions, en modifiant l'annexe correspondante du RBUE en vertu de l'Article 14.
- **clarifier les exigences en matière de Traçabilité, notamment en matière de :**
 - traçabilité telle qu'appliquée dans l'évaluation (au minimum) annuelle de la chaîne d'approvisionnement ;
 - traçabilité de chaque livraison, pour s'assurer de la réplique de ladite chaîne d'approvisionnement pour chaque nouvelle livraison s'y rapportant.

Discussion : voir le Rapport spécial de la présente mission d'évaluation sur les APV et le soutien aux pays producteurs. Il apparaît nécessaire de clarifier les exigences du RBUE en matière de Traçabilité, ainsi que leur alignement avec les autres mécanismes (notamment APV et certification), et clarifier la manière de les satisfaire.
- **clarifier les exigences en matière de Légalité, notamment en matière de :**
 - législation applicable (voir la discussion, plus bas) ;
 - accès aux informations publiques pertinentes permettant d'exercer une diligence raisonnée (DR) sur la légalité, en facilitant notamment les tâches consistant à réunir la réglementation applicable (ex. : CITES, réglementation des pays d'origine), les preuves de légalité, et à évaluer la nature et le niveau des risques, y compris la fiabilité des documents officiels collectés. Pour faciliter cela, la recommandation pourrait être de fédérer les différentes initiatives actuelles¹⁵ au niveau UE, centraliser la collecte par segment, et mutualiser l'information.

Discussion :

La législation applicable au sens du RBUE (Article 2 Définitions, alinéa h)) couvre les domaines suivants : droit de récolter, paiement des droits, législation environnementale et forestière relative à la récolte du bois, les droits des tiers, et le commerce et les douanes. La définition de la légalité

¹⁴ L'expérience suggère que l'application du SDR *après* l'achat a pu être justifiée pour une période transitoire d'un an après l'entrée en vigueur du RBUE mais n'a plus de justification aujourd'hui.

¹⁵ Comme les initiatives de : EITF/ITTO, ATIBT, NepCon, forest-trends' supply-change.org, etc., de ministères comme le MAAF, et de fédérations du bois comme LCB.

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retenue dans les APV va souvent plus loin pour incorporer la législation sociale (droits des travailleurs), et celles concernant le transport, la transformation et l'exportation, notamment ; les standards de certification comportent aussi un volet social (lequel s'applique toutefois dans un cadre volontaire, qui peut dépasser la Légalité, où la précise en spécifiant notamment les engagements internationaux du pays). Il apparaît donc nécessaire de clarifier les exigences du RBUE en matière de Légalité, ainsi que leur alignement avec les autres mécanismes (notamment APV et certification), et de clarifier la manière de les satisfaire.

Il convient de garder à l'esprit que, en cas de mise en œuvre d'un APV par phase, le champ d'application de la légalité peut être introduit graduellement. A cet égard, la logique voudrait que le RBUE accepte des licences FLEGT délivrées sur une base de légalité réduite dans les phases intermédiaires, dans le cadre d'une mise en œuvre progressive par phases, programmées selon un échéancier fixé pour passer d'une phase à l'autre, avec une définition de la légalité de plus en plus étendue.

4) Sur la tutelle institutionnelle de l'Autorité Compétente française à Bruxelles

Résumé et conclusion

Les parties prenantes françaises dans FLEGT sont actives au niveau de Bruxelles : a. Les Autorités Compétentes de quelque 15 Etats membres, dont la France, se réunissent tous les mois ou deux à Bruxelles en marge des principales réunions de comités (Comité Experts FLEGT, EUTR expert group) ; b. Le "Civil Dialogue Group on Forestry and Cork", établi au sein de la DG Agri, réunit des représentants des forêts publiques et privées, du secteur privé, et des ONG ; il est estimé avoir une influence par rapport à FLEGT.

Une ONG membre de ce Groupe regrette toutefois que la DG Agri ne soit pas davantage impliquée directement dans FLEGT au niveau de la CE à Bruxelles. Elle y voit un manque de cohérence [dans l'ancrage institutionnel] par rapport au leadership du Ministère de l'Agriculture [et de la Forêt] – le MAAF - pour la mise en œuvre de FLEGT en France, qui s'exerce donc à Bruxelles en dehors de sa DG naturelle (sauf en ce qui concerne éventuellement la production nationale). Le même problème peut se poser dans tous les pays où la forêt dépend du ministère de l'agriculture.

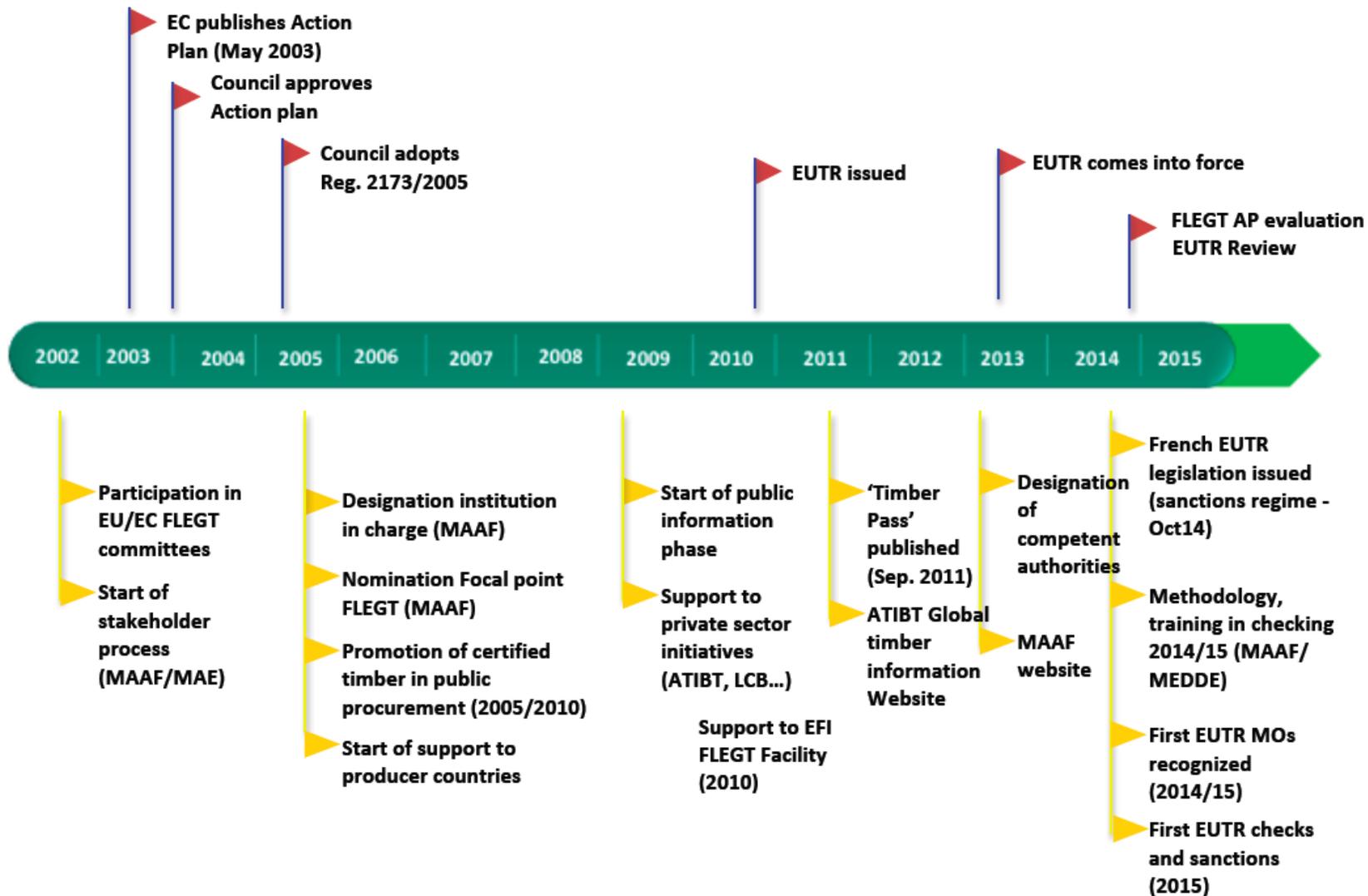
Recommandation 4

Que la DG Agri soit davantage impliquée directement dans FLEGT au niveau de la CE à Bruxelles, pour davantage de cohérence dans l'ancrage institutionnel par rapport au leadership de l'Agriculture sur la totalité du dossier FLEGT, dans tous les pays où la forêt dépend du ministère de l'agriculture.

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Annexe 1 - Historique du Processus FLEGT en France



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Annexe 2 : Programme de la mission (tel que réalisée)

Vendredi 13 mars	Entretien anticipé avec la Société IAS, société informatique, fournisseur du logiciel de traçabilité pour l'APV Congo <ul style="list-style-type: none">- 13h00 - Société IAS (Paris 6^e)
Mercredi 27 mai	Réunions bilatérales complémentaires avec des organisations d'intérêt prioritaire ou qui n'auraient pas pu participer à l'atelier : <ul style="list-style-type: none">- 15h30 - PEFC France, Paris 11^e
Jeudi 28 mai	Atelier de consultation, destiné à un échantillon des principaux groupes de parties prenantes dans FLEGT en France, parmi gouvernement, société civile, secteur privé et institutions partenaires : <ul style="list-style-type: none">- 8h30 - 11h30 - Ministère de l'Agriculture, de l'Alimentation et de la Forêt (MAAF), 19 avenue du Maine, 75015 Paris
Jeudi 28 mai	Réunions bilatérales complémentaires avec des organisations d'intérêt prioritaire ou qui n'auraient pas pu participer à l'atelier : <ul style="list-style-type: none">- 11h30 - Ministère de l'Agriculture, de l'Alimentation et de la Forêt (MAAF), Paris 15^e- 15h00 - Groupe Saint-Gobain, Paris 19^e- 17h00 - France Nature Environnement, Paris 13^e
Vendredi 29 mai	Réunions bilatérales complémentaires avec des organisations d'intérêt prioritaire ou qui n'auraient pas pu participer à l'atelier : <ul style="list-style-type: none">- 8h30 - FSC France (av. Maine)- 10h30 - Greenpeace, Paris 10^e

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Situation of the country with regard to FLEGT action:

a) History of involvement of Germany in FLEGT

Germany is a major importer of timber in Europe. In 2013 a study of Forest Trends¹⁶ indicated that Germany was the 2nd country in the EU, in value, to import timber from high risk countries (around 2 billion euros). Sustainability of production of (the imported) tropical timber has been a concern since decades and led to a strong engagement of Germany in support for Sustainable Forest Management. As mentioned repeatedly by many German actors in the forest sector, the concept of sustainability has its origins in German forestry. With the promotion of sustainable forest management, Germany has been pursuing two development policy objectives: poverty reduction and preserving the capacity of forests to maintain the ecological balance. Therefore, Germany has since long been engaged actively in the international forest policy development.

In 2002, BMZ (German Federal Ministry for Economic Cooperation and Development) developed the Strategy on Forests and Sustainable Development that provides the principles and strategic goals of German development policy in the forest sector. All projects supported by Germany serve the overall goal of forest conservation and are consistent with the requirements of sustainable forest management. As a natural continuation of this constant commitment, Germany has been involved in the FLEGT process since the very beginning, with the aim to develop sustainable forest management and get rid of risky supplies (i.e. illegal logging timber). In 2007, BMZ published the “FLEGT - Combating illegal logging as a contribution towards sustainable development” report that provides the objectives the German policy support to FLEGT. In 2015, six countries are benefiting directly from German support in the framework of FLEGT and VPAs (DRC, Cameroon, Ivory Coast, Laos, Vietnam and Honduras).

Besides the Cooperation and Development support, Germany started to work on EUTR implementation as soon as it came into force in 2010 and has been one of the very first MS to implement controls as soon as the EUTR was fully applicable in 2013. Its Competent Authority (Bundesanstalt für Landwirtschaft und Ernährung, BLE) was established in 2011 and is responsible for FLEGT-Regulation as well as for EUTR.

b) Main stakeholders

The BMEL (Ministry of Food and Agriculture), which is supervising the competent authority (BLE) has organised a meeting on 27th April to support the Evaluation team visiting the country. Most of the stakeholders attended this meeting (Administrations, Private sectors and NGOs) and were present in Bonn coming, some of them coming from as far as Berlin. This clearly indicates the level of awareness and interest of the stakeholders in the FLEGT Action Plan implementation. The participating stakeholders include:

- **Administration:**

- BMEL (Ministry of Food and Agriculture), which is supervising the competent Authority in charge of control of EUTR and FLEGT licences;
- GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH), which implements on behalf of BMZ (German Federal Ministry for Economic cooperation and development) measures to support VPA countries and contributes to FLEGT policy discussions on EU level;

- **Private sector:**

¹⁶ Forest Trends, European Trade flows and risk, 2013

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- The German Timber Trade Federation (GD Holz): EUTR monitoring organisation approved by the EC that has elaborated DDS criteria, code of practices...
- Die Arbeitsgemeinschaft der Rohholzverbraucher, another timber enterprises ;
- **Civil society and NGOs**
 - WWF Deutschland and BUND, Friends of the earth Germany are acting as watch dog on timber imports;
 - FSC Deutschland.
- **Consultancies**
 - Andreas Knoell Consulting: involved in private certification, training and EUTR implementation
 - Unique-Freiburg University is being involved in analysis and impact of EUTR policy and forest governance
- **Thünen Centre of Competence on the Origin of Timber:**
 - Advise the government on forestry and timber issues and is responsible for the assessment of forest certification schemes within the German regulation for the public procurement for wood and wood-based products.
 - Verification other documents concerning validation and eligibility in terms of the EUTR.
 - Information about the risk of illegal logging and associated trade in selected producing countries.
 - Involved in timber origin analysis: identification of timber, fingerprinting and public procurement.

c) Major issues raised by the stakeholders

- **Shift of market**

While the EU market could be an incentive to drive reform in producer countries, there seem to be changes in the German market to avoid importing risky timber. Part of the suppliers has to be replaced because they can't provide the necessary evidence about legality which means higher costs and a drop in business activities. It also causes that the German market is shifting to increasing use of temperate timber. These shifts raise the question about the timing of the two major instruments of the FLEGT Action Plan: implementation of the EUTR can quickly have an impact on tropical timber imports¹⁷, while VPAs as a governance tool take much longer to reach their final goal (FLEGT licences as 'certificates' of good forest governance).

- **EUTR controls/loopholes**

EUTR is the main topic that was raised during the discussion. Several statements were made about the loopholes and challenges of this regulation:

- While Germany has been implementing EUTR since 2013, some MS have still not carried out any controls. It is difficult to understand why this is so, and what is happening at the EU level to have this regulation enforced. Meanwhile, this leads to

¹⁷ Also more timber is going to China, and question whether this is because of EUTR.

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some unfair competition within Europe between countries that implement the EUTR and others who do not or less so.

- The EUTR is about illegal timber in general and not only imported illegal timber. EUTR concerns the EU domestic market. There is a questioning from industries using domestic timber why they should have to comply with the EUTR.
- DDS are very demanding, especially for SMEs who are not always importing timber.
- The EUTR is putting a lot of emphasis on legality and there is some concern that some might withdraw from sustainability certification and switch to legal certification 'only' leaving aside Sustainable Forest Management certification.
- There is a need to promote timber tracking that would provide strong evidence of timber origin.

- **Sustainable forest management**

Sustainability is considered to be the basis for any kind of forest regulation. Some stakeholders strongly support the view that focusing on legality is diverting attention away from the main goal, which is Sustainable Forest Management. SFM is understood as including all FLEGT-required governance reforms, ensuring a sustainable trade and a respectful social and environmental framework.

Key Findings

On EQ1 (relevance):

- The fact that there is no Common Forest Policy between the EU MS does not help the implementation of the FLEGT Action Plan and is leading to leakages: traders are importing through less rigorous countries. If this situation will continue to exist, it risks jeopardising the relevance of the FLEGT Action Plan.
- There has been a decrease in timber imports since the 2008 crisis and since then, it has not come back to the previous level. It is unclear as yet if the EUTR is one of the reasons that have contributed to this situation.
- There might be a shift in timber trade from EU towards less regulated and less ecologically sensitive markets (e.g., China, India, Brazil).
- At the same time, German imports of tropical sawn wood from all four of the country's largest suppliers (Malaysia, Ghana, Cameroon and Ivory Coast) declined by 5.2% between 2013 and 2014 (Tropical Timber Market Report, January 2015).
- This information tend to indicate that German market is not interested in tropical timber as it used to be.

On EQ2 (design):

- The design of the FLEGT Action Plan was not discussed. In the view of the participants, as long as it is thoroughly implemented, there should not be any major difficulties. However, there is a feeling that there are some discrepancies between MS in the implementation of the FLEGT AP and especially the EUTR.

On EQ3 (effectiveness - cover Action Areas as applicable):

AA1 (support to producer countries) – see also annex 3

- With regard to international cooperation, the Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ) on behalf of the Federal Ministry for

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Economic Cooperation and Development (BMZ) provides technical support to partner countries in Latin America, Africa and Asia in negotiating or implementing their VPAs. The GIZ bilateral programmes in these countries play a key role in this support by working closely with the partner institutions involved.

- The programmes either have their main focus on FLEGT, such as in Laos, or contribute to VPA processes as part of their overall support to the forestry sector, such as in Cameroun.
- When FLEGT is not part of the support at the country level, the Forest Governance Programme (FGP) at GIZ Head Offices in Eschborn, Germany can provide flexible and targeted assistance where needed.
- On policy level, the International Forest Policy Programme (IWP) advises the BMZ on all aspects and developments of international forest policy. GIZ represents BMZ in the EU Member State Coordination through the Ad Hoc FLEGT Working Group and the FLEGT & REDD Working Groups.
- Furthermore, BMZ through GIZ contributes financially to the EU/EFI REDD+ and FLEGT Facilities and is a member of the steering committees.
- There are also some bilateral projects financed by BMEL which are related to FLEGT, e.g. in Malaysia and Vietnam.

AA2 (trade in timber) EUTR

- There is general consensus that implementation of the EUTR has resulted in a wide stakeholder consultation process starting from 2010. All stakeholders are used to talking to each other on this subject.

Germany has been very active to implement the verification system and start the controls as soon as the EUTR came into force in 2013.

The competent authorities (BLE, Federal office for agriculture) exercises controls following a risk-based approach focusing first on the type of products, the timber species, the origin and the quality, then assessing if the companies are using a relevant DDS or certified timber.

In 2013, around 100 operators have been controlled. Of these, around 25% were not implementing a correct DDS. Since 2014, sanctions are applied (fines up to 50 000 €, imprisonment...) Until February 2015 more than 220 operators have been controlled. In 86 cases wood samples have been taken and analysed at the Thünen Centre of competence on timber origins. In more than 100 cases the operators have been ordered to undertake corrective actions. In more than 20 cases the operators have been given official warnings.

The most severe cases so far have led to the seizure of Wengé from DRC. It involved not a breach of due diligence, as the operators have been deceived, but a falsification of proof of legality and thus is based on the prohibition.

- The Thünen Center of competence is providing support to verify the origin of timber samples by checking species, genetic origin but also documentation accompanying timber batches.

An ITTO project in Africa, initiated and financed by Germany (BMEL) helped generating genetic reference maps of several species and developed reference databases for three

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African timber species that can be used to verify claims about the origin of timber consignments. Reference databases for other species also exist or are being developed for seven African and seven Latin-American tree species.



Figure 11: Distribution of genetic clusters for sapelli (*Entandrophragma cylindicum*)

Genetic tools can help evaluate the origin of timber entering the EU, and can be as precise as knowing the logging concession where the timber was harvested.

- In spite of this very important development regarding the EUTR, there is still a lot of uncertainty on verification documents to be provided, above all among SMES.
- Among some stakeholders, there is also an unclear and disputed role for forest certification (FSC, PEFC) as proof of legality.

AA3 Public Procurement

- Germany has a wide experience of Public Procurement Regulation (PPP) for wood and wood based products. The federal government introduced a first PPP legislation in 1989 to exclude tropical timber used in federal building projects, 1998 requiring to be certified as sustainable.
- A revision of this approach began in 2003, and new regulations were enforced between 2005 and 2007. This new Public Procurement Policy is based on the standards for sustainable forest management (SFM) of the international approved certification schemes FSC and PEFC or equivalent and was valid from 2007 to 2010.

The regulation was revised in 2010 to include FLEGT licenced timber. According to the German administration, it will be checked if and how timber and wood based products originated from VPA countries will be considered within the public procurement regulation.

- The certification systems and their development are periodically assessed to verify their compliance with the PPP requirements. This verification is carried out by the Thünen institute based in Hamburg.
- However, some concerns are raised about the real implementation of this PPP, since certified timber is not always available (particularly with respect to tropical timber).

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- Just as in most of the EU member states with PPP's there is poor knowledge about the implementation, the experiences and success of the Public Procurement Policy in Germany.

AA4 Private sector initiatives

- To respond to the public concern on sustainable forestry, German foresters are very active with respect to certification. More than 2/3 of the country's forest is Sustainable Forest certified (FSC or PEFC).
- There is a general understanding by the private sector of the importance to fight illegal logging and import of illegal timber into the EU. There is also an understanding that banning tropical timber imports would have bad consequences for forest sustainability worldwide.
- EUTR implementation resulted in [or contributed to] the revision of the Sustainable Forest Certification schemes to adjust their standards to meeting the requirements. However, there is a general demand from some stakeholders, especially from the private sector, for an automatic recognition of (FSC-/PEFC-) certified imported timber by EUTR.
- The private sector published a guide to the EUTR¹⁸ presenting a very comprehensive picture of the regulation and how to respond to it.

AA5 Finance and investment safeguards

- In the context of FLEGT none of the stakeholders has been engaged in this issue, thus not enough information available

AA6 International Legislative Instruments

- The governments of Germany and of the Netherlands jointly invited EU Member States to the expert-level workshop "Illegal logging and measures to combat money laundering", held on 30 September / 1 October 2004¹⁹. Major conclusions that were made were the following :
 - Combating Illegal Logging via AML-regulations needed to be seen as part of the EU-FLEGT action programme.
 - There was a need that more concrete evidence for and concrete indicators of Illegal Logging activities be used for ML to make this tool work.
 - A framework of necessary requirements has been proposed involving also the country of origin
 - Importing logs of illicit origin into the EU and selling them there is only one laundering aspect in relation to Illegal Logging. Other financial transaction need be to be taken into account such as money from illegal activity invested into logging projects; investment into projects that support illegal

¹⁸ Import Promotion Desk, 2014, Guide to the EUTR

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activities (e.g. investment banks giving credits for construction for wood-processing industrial plants that are operated with wood of illicit origin) ...

However little follow-up seems to have occurred since this workshop.

- Germany is also regularly addressing corruption in the forest sector in partner countries. In 2009, GIZ (former GTZ) issued a paper on corruption in the forestry sector and approaches to combat it.²⁰ It has also been supporting national initiatives in producer countries such as Cameroon, via the COMIFAC and the Congo Basin Forest Partnership (CBFP).

AA7 Conflict Timber

- Not enough information available

On EQ4 (implementation management and coordination):

- Most of the actors that were contacted are fully aware of the EUTR implementation and there seems to be a general consensus in Germany to efficiently combat illegal timber import. In general, information is available and supply chains are now more transparent.
- Information exchanges and discussions between MS and with the EU have been improving a lot but there is still more need for exchanges between MS on timber transit (e.g. between Belgium and Germany).
- However, there is some misunderstanding and perplexity on how the EUTR is being implemented Europe-wide, as there is an impression that some countries have not enforced the EUTR yet, which leads to unfair competition from other importing countries.

On EQ5 (achievement of objectives):

Illegal logging:

- Since the FLEGT Action Plan was implemented, there is a better awareness of the problem of illegal timber used in the European Market. This issue has been widely and officially accepted as well as the dimension linked to organized crime.
- The impact of FLEGT on illegal logging itself is difficult to assess for German stakeholders.

Trade:

- EUTR implementation is clearly and obviously the very first and more tangible achievement that German stakeholders have in mind.
- Certification schemes have incorporated DDS and comply with EUTR requirements.
- With controls and verifications being conducted by the competent authorities and the improved communication on EUTR requirements, the Private sector is developing efficient DDS, even if NGOs are still bringing to light new cases of imports of illegal timber products.

²⁰ GTZ, 2009, Corruption in the forestry sector and illegal logging .The problem, its implications and approaches to combating it. Policy Briefs

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- Slight scepticism towards FLEGT process as no FLEGT-licensed timber has yet been imported to EU market

Forest Governance:

- Germany experiences improved forest governance processes in supported producer countries through FLEGT. .
- Multi-stakeholder dialogues involving civil society in VPA countries is one of the main achievements regarding forest governance. Another important achievement is the reform processes and the revision of the legal frameworks many producer countries have engaged in, resulting in better regional exchanges (ASEAN or COMIFAC).

On EQ6 (Unexpected outcomes):

- NGOs are wondering if EUTR and FLEGT might not have a negative impact on sustainable forestry certification. Some certified companies in Africa are now discussing if legality certification would not be enough in the future. There is a concern that this might indicate a trend of withdrawing from sustainable forest management certification.

On EQ7 (contribution to higher objectives):

Poverty reduction:

- Some comments of the German private sector actors indicate that there is a clear understanding of the link between EUTR and FLEGT Action Plan to combat illegal logging and to develop Sustainable Forest Management and to maintain producer country revenues from forest use.
- In the same logics, a tropical timber ban is no longer considered to be an appropriate option as the impact on local communities would be too negative, in terms of degraded livelihood.

Sustainable Forest Management:

- Germany has continuously repeated since the early implementation of FLEGT that *“The proposals for action to combat illegal activities in the forest sector [...] should be seen as an intermediate step towards achieving sustainable forest management. Development-policy measures to promote FLEGT aim to support the partners’ own commitment to introducing and implementing reforms relating to good governance, combating corruption and supporting law enforcement.”* (FEMCD, 2007²¹).
- The FLEGT Action Plan might have focused too much on legality only, while it is in the end about sustainable forest management. SFM represents the crossroads where the essential components such as socio-economic benefits, biodiversity and environment conservation, maintenance of productive capacities and an enhancement of legal framework converge.

²¹ Federal Ministry for Economic Cooperation and Development, FLEGT Combating illegal logging as a contribution towards sustainable development, 2007

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On EQ8 (efficiency):

- There was no comment on efficiency of the FLEGT Action Plan. However there is a concern that the efforts made may be undermined by the fact that some MS are not properly implementing the EUTR yet and risks compromising the very effectiveness of the FLEGT Action Plan.

On EQ9 (sustainability):

No information received

On EQ10 (coherence and added value):

- There is a common feeling that competent authorities of the MS are talking more and better to each other, at least between Germany and the most active MS.
- In the context of the EUTR, Germany and some other MS are cooperating with the US, and expecting to undertake common projects.
- Cooperation with CITES-authorities, customs and Interpol has been intensified and is among the priorities of BMEL and BLE.

Main Conclusions and Recommendations

Overall Conclusion: Germany has been very proactive with respect to the implementation of the FLEGT Action Plan (both in terms of implementation of EUTR and VPA country support) and is making important steps forward regarding EUTR. However, some stakeholders see EUTR requirements for forest owners operating in the domestic market a useless burden. There is also a need to provide the EU private sector with tools to better assess the origin of imported timber.

Recommendation 1:

To increase exchanges between MS on EUTR implementation and develop an EU information platform gathering data on cases, suspicious suppliers, among others.

The promotion of national timber tracking and traceability systems in producer countries would also help the importers to better assess the origin of timber. At the same time, new technology could be used on a larger scale to track wood.

Conclusion: Germany is strongly engaged in supporting some of the VPA countries, in order to turn the FLEGT Action Plan into a reality. This has had a very positive impact on VPA implementation.

Recommendation 2:

Efforts to support producer countries and the dialogue between the EU/the MS & and these countries must be continued and strengthened in order to achieve the objectives of the FLEGT Action Plan. Continuous involvement of the MS is necessary to ensure the ownership and the sustainability of the implementation of the VPA

Conclusion: There is a need to make the distinction between legal timber and sustainable timber. Even though the EUTR will significantly reduce the risk of illegality, the legislation does not specify that timber has to come from sustainable sources. While all timber and timber products certified for sustainable forest management have a low risk of being illegal, not all timber that complies with EUTR is sustainable.

During the late 90's early 2000 Sustainable Forest Management has been spreading throughout the tropical belt. However it has been targeting only a 1/3rd of the tropical forests: in 2011 an ITTO study indicated that 131 million ha of production forest were managed (out of 400 million

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worldwide)²². This figure might not inform on the real implementation of the forest management plans which is regularly criticized. There is still a room for improvement and development.

The FLEGT Action Plan, with its demand and supply side measures, is a unique instrument of initiating reform processes to improve Forest Governance in producer countries. Possible synergies can be built with other forest governance initiatives like REDD+, and voluntary certification schemes like FSC and PEFC to increase its effectiveness.

Recommendation 3:

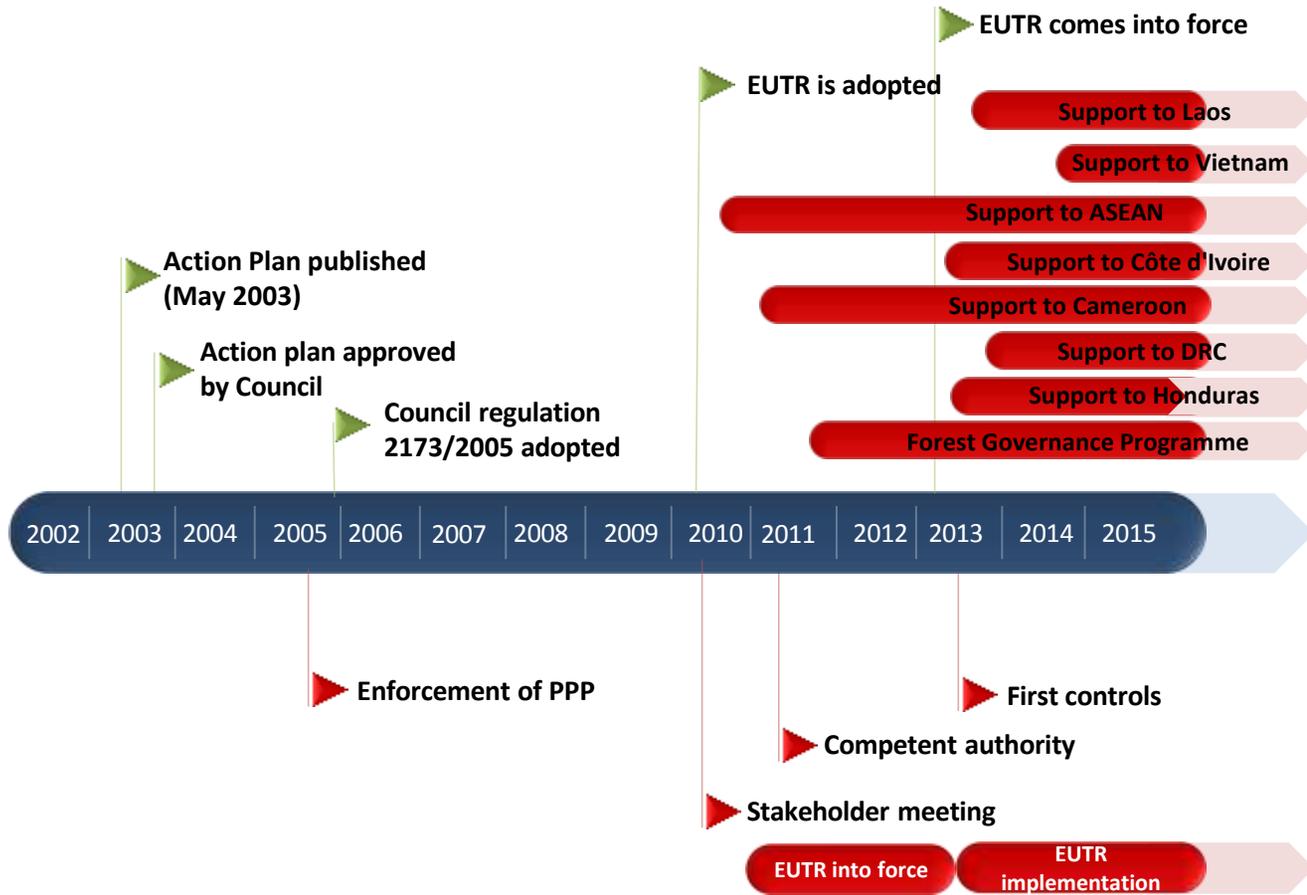
The FLEGT Action Plan should come back to the fundamental objective that is Sustainable Forest Management. that was formulated as such in the early beginning of the FLEGT Action Plan²³ In the producer countries there should be an increase focus in promoting sustainable forest management as the ultimate tool to reach legality by revising the legal framework and support the enforcement of these new regulations. In this regards, certification could be supported under the FLEGT Action Plan.

²² ITTO, 2011, STATUS OF Tropical Forest Management;

²³ “However, the European Commission is committed to promoting sustainable forest management as the more long-term goal of policy in the forest sector. The Action Plan should thus be placed in the context of the overall efforts of the European Commission and EU Member States to achieve sustainable forest management”. (cit. FLEGT Briefing Note 04 (2004))

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Annex 2: FLEGT Timeline



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Annex 2: German support to VPA countries

Approach

The German Development Cooperation (GIZ) on behalf of the Federal Ministry for Economic Cooperation and Development (BMZ) provides technical support to partner countries in Latin America, Africa and Asia in negotiating or implementing their VPAs. The GIZ bilateral programmes in these countries play the key role in this support by working closely with the partner institutions involved. The programmes either have their main focus on FLEGT (Laos) or more commonly contribute to VPA processes as part of their overall support to the forestry sector. Bilateral forest programmes do however operate within a certain mandate that is agreed at the beginning. Where FLEGT is not part of this support, the Forest Governance Programme (FGP), located at GIZ Head Offices in Germany, can provide flexible and targeted assistance where needed (secondments, financial support, workshops, studies etc.). On policy level the International Forest Policy Programme (IWP) advises the BMZ on all aspects and developments of international forest policy. As part of this, GIZ represents BMZ in the EU Member State Coordination through the Ad Hoc FLEGT Working Group and the FLEGT & REDD Working Groups. Furthermore Germany contributes financially to the EU/EFI REDD+ and FLEGT Facilities and is member of the steering committees.

1. Asia

1.1. Laos

1.1.1. Kind of support

Bilateral **ProFLEGT** Programme with the main objective to support the government, private sector and civil society in jointly negotiating a VPA with the EU.

Specific objectives are 1) Strengthening capacities of all actors in managing the FLEGT process and negotiating VPA 2) Support to the development of a legality definition and TLAS system 3) Piloting of the TLAS system in 3 provinces and feeding experiences in national discussion and 4) building capacity of all actors in coordinating sectorial and regional policies

1.1.2. Duration

09/2013 – 2/2018

1.1.3. Budget

5.8 Mio. EUR

1.2. Vietnam

1.2.1. Kind of support

Germany has long experience in providing support to the Vietnamese forest sector. Since the start of VPA negotiations GIZ supports this process directly through individual measures such as development of a verification handbook for forest officers, training of SMEs on the EUTR, Development of awareness-raising movies on EUTR requirements for Vietnamese private sector, support to Vietnamese wood processing industries in developing Due Diligence Systems etc. (financed through the Global Forest Governance Programme, see below).

Since the beginning of last year the **Conservation and sustainable use of biodiversity and ecosystem services of forests in Vietnam** programme aims to take up the experiences and lessons learnt from many years of Germany's support to the forestry sector in Vietnam and integrate these in national frameworks (particularly legal reform processes) in the context of FLEGT and REDD+. The main focus of support in the field of FLEGT is the development of a TLAS system.

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1.2.2. Duration

Current GIZ programme: 01/2014 – 12/2016

1.2.3. Budget

Current programme: 4.5 Mio. EUR

Forest Governance financed support to FLEGT: 400,000 EUR

2. Regional-ASEAN

2.1. Kind of support

The bilateral support program **Forestry and Climate Change (FOR-CC)** to the ASEAN secretariat has two main components: The first one, “ASEAN Cooperation in the forestry sector” aims to support ASEAN Member States and ASEAN committees to improve regional and national frameworks for FLEGT and REDD+. The second “Climate Smart Value Chains” builds financial and technical capacities for climate smart practices in agricultural and forest value chains.

2.2. Duration

11/2010 – 12/2017

2.3. Budget

8.5 Mio EUR

3. Africa

3.1. Ivory Coast

3.1.1. Kind of support

One expert (financed through the Forest Governance Programme) posted at the Ministry of Forest and Waters (MINEF) providing support in managing and negotiating VPA process

3.1.2. Duration

06/2013 – 05/2015; foreseen to be extended for two more years

3.1.3. Budget

420.000 EUR

3.2. Cameroun

3.2.1. Kind of support

The **Support to implementation of national forest and environmental program (ProPSFE)** was supporting the national VPA process during the last years through technical capacity building, managing national processes and developing the legal framework. The program just underwent an internal evaluation process and it is expected that it will be extended until 2019. The extended program will provide further support to FLEGT.

3.2.2. Duration

Currently: 01/2011-12/2015, probably extended until 2019

3.2.3. Budget

Currently: 19.1 Mio. EUR

3.3. Democratic Republic of Congo (DRC)

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3.3.1. Kind of support

The **Biodiversity Conservation and sustainable forest management** programme works and national and provincial level with government and non-government actors to improve their capacities in managing natural resources. Specific objectives are 1) improvement of the framework conditions 2) implementation of sustainable forest management, including benefit sharing mechanisms and support to mechanisms like REDD+ 3) better management of protected areas

3.3.2. Duration

10/2013-03/2016

3.3.3. Budget

22.3 Mio EUR

4. Regional- COMIFAC and Congo Basin Partnership

4.1. Kind of support

The GIZ **regional support program to COMIFAC** continues with a new phase (March 2015 until 2018). The main elements are 1) organizational development (internal governance & inter-institutional relations) 2) Utilization of implementation experiences 3) Harmonization of international, regional and national forest and environmental policies 4) strengthening of multi-stakeholder processes 5) modernization of forest/environmental training and education. Important topics under COMIFAC among others are common sustainable forest management standards, cross-border forest protection and a regional strategy to control illegal trade of wood and wildlife.

Germany is a founding member of the Congo Basin Forest Partnership (CBFP) and supports this coordination platform with a focus to integrate various actors (civil society, private sector, FSC & PEFC, Chinese forest traders) in the regional dialogue. Within the context of the Bilateral Coordination Mechanism (BCM) between the EU and China, Germany aims to strengthen together with CBFP partners the dialogue between VPA signatory countries of the COMIFAC and Chinese actors (private and state).

4.2. Duration

03/2015-2018

4.3. Budget

11.3 Mio EUR

5. Latin America

5.1. Honduras

5.1.1. Kind of support

One facilitator (financed through the Forest Governance Program) posted at the *Instituto Nacional de Conservación y Desarrollo Forestal, Áreas Protegidas y Vida Silvestre* (ICF) to support the government in facilitating the VPA process, strengthening non-government stakeholders in the participation in the VPA processes and coordination among national stakeholders and the EC.

The program **Community Forestry and Adaptation to Climate Change (CLIFOR)** puts a focus on sustainable forest management on community level and contributes indirectly to the FLEGT process by strengthening capacities of the responsible institution ICF.

5.1.2. Duration

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Facilitator: 01/2013 – 05/2015; extension foreseen until mid-2016

CLIFOR: 07/2013 – 12/2017

5.1.3. Budget

Facilitation: 193,700 EUR

CLIFOR: 26.4 Mio EUR

6. Global level

6.1. Forest Governance Programme (FGP)

The FGP assists partner countries in their efforts to improve institutional, legal and organizational framework conditions through targeted support measures (secondments, technical advice, financial support etc.). FLEGT is one of the focus areas and the FGP can provide flexible support to VPA processes where needed, see for instance Vietnam, Ivory Coast and Honduras. In the past the FGP was financing a FLEGT facilitator in Laos to prepare various stakeholders for the upcoming FLEGT process, already before the Pro-FLEGT Programme started. On international level the Forest Governance Programme provided financial assistance to the EU/EFI- REDD & FLEGT Facilities (500,000 EUR to both in 2013).

6.1.1. Duration

12/2011-12/2018

6.1.2. Total Budget

10 Mio EUR

6.2. International Forest Policy

The International Forest Policy Programme advises the BMZ on all aspects and developments of international forest policy, including FLEGT. As part of this GIZ, represents BMZ in the EU Member State Coordination through the Ad Hoc FLEGT Working Group and the FLEGT & REDD Working Groups. Furthermore Germany is member of the Steering Committees of the EU/EFI REDD+ and FLEGT Facilities.

6.2.1. Duration

10/2013-12/2017

6.2.2. Total Budget

4.45 Mio. EUR

7. Multilateral support

7.1. EU-EFI REDD and FLEGT Facilities

As described above Germany is member of the steering committees of both the EFI REDD and FLEGT facility. Financial contributions were done in 2012 to the EFI-FLEGT Asia Programme (now integrated in the FLEGT Facility) with 250,000 EUR and in 2013 with 500,000 to the REDD and FLEGT Facilities (which was equally distributed among them).

7.1.1. Total Budget

750,000 EUR

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Summary of main findings, conclusions and recommendations

Despite being among the EU MSs with the largest forest area, **Italy is not among the big wood producers**. At the same time, **Italy is among the top manufacturers of wooden and paper products**. It thus comes as no surprise that Italy is a large net importer of wood.²⁴ As for imports of tropical timber, it has recently collapsed; Italian companies in tropical areas are more likely to be traders than producers, with few exceptions. **The disarticulation between the forest industry on one side and the wood trading and manufacturing sectors on the other is one of the causes of the low participation of Italy to FLEGT external activities.**

The other driver of the low participation of Italy to FLEGT external activities is to be found in the institutional framework. Since forestry is now a regional policy, the Ministry of Agriculture, Forestry and Food Policies can only play a coordination and representation role. In addition to that, the international aspects of forestry policy, including FLEGT, play a more limited role in the Italian national political landscape, with a consequent loss of interest within the country and of political weight outside the country.

Given the low salience of external FLEGT policies – such as support to VPA countries – due to both economic and institutional factors, **most of the attention of Italian authorities and stakeholders is focused on the EUTR.** With respect to the EUTR, Italy has undertaken a path for implementing which has at least three key strengths. First, there is a single CA for both FLEGT Regulation and EUTR; secondly, there is an independent Forest Police Corps enforcing these norms; and thirdly the Italian private sector has undertaken a series of initiatives, together with civil society organisations, to support private enterprises in complying with the EUTR. Besides, the government has set up a FLEGT Committee, whose membership includes private parties, public bodies and civil society organisations, which is not yet operational.

Three conclusions can be extracted from the mission to Italy:

1. First and foremost, Italian public authorities and private stakeholders stress the **lack consistency in enforcing FLEGT policies, and in particular the EUTR**, across Europe.
2. Resources, both human and financial, provided for FLEGT and EUTR have not been sufficient to achieve its objectives
3. The Italian EUTR system features two particular cooperation strategies: **cooperation between the policy side, i.e. the Ministry, and the enforcement police**; and **cooperation among for-profit and non-for-profit private stakeholders** (trade associations, academia, and NGOs) for a public interest, that is wood legality.

In parallel, three recommendations can be derived from the above-mentioned conclusions:

1. More effort, in particular by the European Commission, should be paid to **ensure policy consistency across MSs and an even playing field for operators**. In particular, a proper evaluation of EUTR effectiveness should not only quantify e.g. the amount of checks carried out in each MS, but also their quality and thoroughness (e.g. in terms of sanctions levied). Further to that, a minimum ceiling for sanctions should be considered.

²⁴Indufor (2013) *Study on the Wood Raw Material Supply and Demand for the EU Wood-processing Industries*, Report for the European Commission; Eurostat Data, Manufacture of furniture statistics - NACE Rev. 2.

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2. **More resources should be devoted to the internal implementation of FLEGT policies, and in particular EUTR.** It has been pointed out that in the vast EU agriculture budget, resources should be earmarked to support EUTR-related tasks, such as administration, enforcement, and awareness-raising actions.
3. Though the implementation is still in its early phase, it would be worth assessing in due time **whether and to what extent the Italian cooperation strategies**, that is between police and public authorities and for-profit and not-for-profit stakeholders, **increased EUTR effectiveness** and could be replicated in other countries with similar economic or institutional challenges.

Situation of the country with regard to the forestry sector

Despite being among the EU MS with the largest forest area, **Italy is not among the big wood producers.** Eurostat data for 2011 show that Italy produced 6.3 million m³, almost on par with Bulgaria and less than smaller countries, such as Portugal and Slovakia. The Italian share of EU production of round wood is only 1.5%. Significantly, 74% of Italian round wood production consists of fuelwood, the highest share among EU MSs, where on average fuelwood is only 21% of total production.²⁵

At the same time, **Italy is among the top manufacturers of wooden and paper products:** it is the second producer of plywood after Finland, the second producer of paper and paperboard after Germany, and the main EU producer of furniture. It thus comes as no surprise that Italy is a large net importer of wood, for about 80% to 90% of its consumption.²⁶ As for imports of tropical timber, it has recently collapsed. In 2005, the value share of tropical species accounted for about 15% of total imports of industrial round wood and sawn wood, and in 2007, Italy imported 1.4 million m³. Nowadays, only about 400,000 m³ are imported from tropical areas. Apparently, this drop is linked more to the general economic trend than to institutional factors, such as the introduction of EUTR.²⁷

It appears clearly that Italy is not a forest country, rather a wood manufacturing and trading country. This is also reflected in activities of Italian companies in tropical areas, where Italian firms are more likely to be traders than producers, with few exceptions. For the nature of their economic activity, and for lack of colonial ties, Italian operators always had little, if any, say on producer countries' policies.

As for the institutional context, after the 2001 constitutional devolution process, forestry policy is now a regional competence. In the past, regions could only administer and enforce national norms, now they are the exclusive legislators. Moving the definition of forestry policy to a lower tier of government has meant that the international aspects of it, including FLEGT, play a more limited role in the Italian political landscape, with a consequent loss of interest within the country and loss of political weight outside the country. As a consequence of this devolution, there is no longer a national forestry policy pivot for FLEGT-related themes. The ministry of Agriculture, Forestry and Food Policies – which keeps the primary roles – can coordinate and represent regional governments; further to that, competences are scattered across other ministries, such as of Environment, of Foreign Affairs and International Cooperation, and of Culture and Tourism.

Key Findings

²⁵ Eurostat (2012) *News Release 168/2012*, 29 November

²⁶ Indufor (2013) *Study on the Wood Raw Material Supply and Demand for the EU Wood-processing Industries*, Report for the European Commission; Eurostat Data, Manufacture of furniture statistics - NACE Rev. 2.

²⁷ International Tropical Timber Organization (2005) *Review of the Italian Timber Market with Focus on Tropical Timber*, July; Interviews.

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On EQ1 – Relevance

- The external relevance of FLEGT for the Italian public sector is low. Italy does not have historical and commercial interests in tropical producer countries, which translates into a low, if any, political interest. Hence, Italy has not actively taken part in any VPA process. At the same time, the internal dimension of FLEGT, in particular the EUTR, is highly relevant for Italy, given that it possesses a vibrant wood manufacturing sector: estimates show that up to 20,000 companies, including a predominant share of SMEs, may be considered operators under the EU-TR.
- The external relevance of FLEGT for the Italian private sector is limited. As for the wood sector, imports of tropical timber have fallen by more than two-thirds during the ongoing economic crisis Italian companies have a limited role as producers in tropical countries, and do not have historical ties or a strong presence therein. As for the paper sector, no Italian operator has invested in production in tropical countries; hence, FLEGT is relevant only for the internal dimension, including EUTR. The share of paper raw materials from FLEGT countries is close to zero (with a small import from Indonesia). The main tropical source of pulp and cellulose is Brazil, but mostly from certified Eucalyptus plantations; issues of legality could in principle arise with regards to Russian imports.²⁸

On EQ2 – Design

- With slightly different considerations, both public and private counterparts concur that the design of the FLEGT AP is fit for its purpose and that it does not require any overhaul change.

On EQ3 – Effectiveness

➤ AA1 Support to timber producing countries

- No evidence could be found concerning support to timber producing countries. The funds under the competence of the ministry of Agriculture, including those of EU origin, are not eligible for this purpose. The minister of Foreign Affairs and International Cooperation, which would control eligible funds, has never expressed interest in FLEGT, given its limited relevance to Italy.

➤ AA2 Trade in timber: VPAs

- It is considered that VPAs are the main business of FLEGT. At the same time, to achieve results even today when the EU is no longer the main trading partner for wood products, VPAs should cover all exports, not only those bound for Europe.
- An attempt was made by the Ministry of Agriculture and the Forest Police Corps to finance VPA assistance in Ivory Coast. It was estimated that a resident expert could be financed for two years by the Italian government, for an expected cost of €200,000. However, funds were eventually not earmarked for this purpose and the financing proposal was withdrawn.

➤ AA2 Trade in timber: EU-TR

- The Italian CA for EUTR has been identified within the Directorate for rural development and European and international politics of the Ministry for Agriculture, Forestry, and Food Policies. It works in cooperation with the unit for international relations of the Forest Police. The same unit is also the CA for the FLEGT Regulation, which ensures a 360-degree vision of the problem, as acknowledged by the private parties as well. On the negative side, the unit is

²⁸ In 2013, Italy imported about 400,000 m³ of timber from Russia, especially logs and plywood; and about 520,000 m³ of paper pulp and paper.

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located within a Directorate that mostly deals with rural rather than forestry policies; this condition may reduce the political salience of its tasks and its effectiveness in competing for scarce public resources.

- State of implementation in Italy.
 - An implementing act identifying the CAs for the EUTR and FLEGT Regulation was approved in December 2012.²⁹ The same secondary norm also entrusts enforcement of both Regulations to the CITES units of the Forest Police.
 - A second implementing act was approved on October 2014. It establishes: (i) the control system; (ii) a registry of timber operators, whose implementation is to be defined by a forthcoming secondary norm; (iii) sanctions for violating the EUTR or FLEGT Regulation; and (iv) a 'FLEGT Committee', established under the premises of the Ministry of Environment.³⁰ According to the interviewees, the creation of a formal FLEGT Committee, whose membership includes private parties, public bodies and civil society organisations, is unique in Europe. Its tasks encompass the assessment of FLEGT and EUTR implementation policies and plans to overcome any arising issue. It aims at ensuring a form of coordination among the different operators, further to the CA, having a role in the FLEGT and EUTR policies.
 - A third implementing act including detailed norms for the registry of timber operators is expected to be issued in the coming months. This act is considered as very important by both private operators and public parties, since it will be the basis for a risk-based approach to controls.
 - Though the Forest Police is reportedly ready to start with EUTR checks, they have not yet been launched and are expected to start in the coming months. The main reason for delays in the implementation process lies in the inter-institutional nature of the secondary legislative process, which involve other ministries or administration for which FLEGT is not a priority.
 - All implementing acts include the 'budget neutrality' clause. It means that the competent offices in charge of the application, implementation, and enforcement of EUTR and FLEGT Regulation by public bodies are not assigned additional budgets, but rather have to reallocate existing resources from other tasks. This creates a clear bottleneck to the effectiveness of the system; at the same time, the implementing acts would probably not have been approved without this clause.
- The check system in Italy has unique features compared to the EU landscape. As already discussed, the enforcement authority is the Forest Police Corps, especially its existing CITES units (both at customs entry points for FLEGT regulation and in the various territorial offices for EUTR). This allows exploiting the existing know-how and logistics (e.g. in terms of locations) of the CITES system. Most importantly, enforcement is entrusted to an independent body, with function of judiciary police, rather than to a specific office of the public administration. This ensures that EUTR (and FLEGT, when licences will appear on the market) checks will be underpinned by a credible third-party enforcement system. Even though a police corps is constrained by its judiciary enforcement role, it is common understanding of private and public interviewees that the first round of checks will allow for a certain learning period. One interviewee makes the point not having the same body in charge of both raising awareness about the new regulation and of enforcing the EUTR is

²⁹ Decreto Ministeriale MIPAAF 27/12/2012.

³⁰ Decreto Legislativo 30 ottobre 2014, n. 178, Attuazione del regolamento (CE) n. 2173/2005 relativo all'istituzione di un sistema di licenze FLEGT per le importazioni di legname nella Comunità europea e del regolamento (UE) n. 995/2010 che stabilisce gli obblighi degli operatori che commercializzano legno e prodotti da esso derivati.

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indeed a key point for the overall credibility of the system. This feature is otherwise lacking in several MSs, and, accordingly to the interviewee, this is preferable to a system in which the same authority is assigned both tasks. At the same time, it must be noticed that so far any EUTR public awareness action has been limited.

- The Italian private sector has also put significant effort in the implementation of EUTR, and this is another specific feature of the Italian system worth discussing. The private sector considered appropriate to support the implementation of the EUTR and to supplement lack of resources by the public authorities and the consequent likely delays. Indeed, the Italian wood sector features a very large number of SMEs, for which compliance with EUTR could represent an impossible obstacle.
 - First, it was decided that Conlegno, an existing consortium of several wood and paper trade associations, should become an MO, and it indeed was recognised by the European Commission in the very first round. However, Conlegno does not perform only the function of a MO: actually, this is not its primary role at all. Through its platform, LegnOk, Conlegno provides information on legality of wood and wood products to its associated members. Within Conlegno, a technical and scientific committee has been established, where private operators, NGOs – and in particular WWF’s Traffic – and academic experts cooperate. Public bodies do not formally take part in the initiative and do not, and could not, endorse it; nevertheless, the exchange of information is regular.
 - The online platform LegnOk is aimed at simplifying compliance with the EUTR DD requirements. LegnOk’s associated members can provide to the platform a series of documentary evidences that should demonstrate legality of imported wood and wooden products. LegnOk verifies the information, its completeness, and the quality of documentary evidences, mostly based on information supplied by academic institutes and WWF’s Traffic network. Once sufficient verification is carried out, LegnOk reports to the user an assessment of the risk of illegality. If illegality risks are significant, early mitigating measures can be adopted, and the dossier can be then re-assessed. This assessment, obviously, has only an informational purpose and does not substitute the DD process, the MO services, or enforcement checks.
 - LegnOk is slowly taking off in terms of market coverage. So far, 127 operators have joined the platform; only three of them use Conlegno MO services, while the rest has only access to the informational services.

➤ **AA3 Public procurement**

- In Italy, Green Public Procurement (GPP) takes place mostly on a voluntary basis. It is mandatory only for national government tendering authorities (e.g. ministries), but even in this case monitoring of specific tender procedures appears limited. In general, sustainability criteria are rarely included in public tenders. There are virtuous exceptions, e.g. at municipal level, but not a virtuous GPP national system.
- The Legislative Decree (Italy’s secondary legislation) for implementing the new EU Public Procurement Directives is currently in its drafting phase. It will amend the existing Code for Public Tenders, and GPP criteria should be included among the award criteria. This is expected to lead to a more uniform application of GPP policies. Obviously, case-by-case applications will still be in the hands of tender authorities; however, once GPP requirements are spelled out in law, judicial remedies could be used to invoke and enforce them, which is not currently the case.

➤ **AA4 Private sector initiatives**

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- Private sector initiatives concerning the EUTR have been discussed above. For other issues, no significant findings could be retrieved.
- **AA5 Finance and investment safeguards**
- No findings could be retrieved.
- **AA6 Use of existing EU, MS or international legislative instruments**
- No findings could be retrieved.
- **AA7 Conflict timber**
- No findings could be retrieved.

On EQ4 – Implementation management and coordination

- The main critique concerns the gap between a complex regulatory system for the EUTR and lack of resources for its implementation. It has been pointed out that the European legislator should support its ambitious objectives with means and funds for a proper application, to be provided possibly within the vast EU budget for agriculture and policy.
- Another criticism concerns the lack of consistency of FLEGT policies, and in particular the EUTR, across MSs. Both private and public counterparts pointed out that a single soft spot could endanger the achievement of the FLEGT objectives, and that market operators are already exploiting, or ready to exploit, these spots. A proper evaluation should not only quantify e.g. the amount of EUTR checks carried out in each MS, but also their quality and thoroughness (e.g. in terms of sanctions levied). Further to that, a minimum ceiling for sanctions should be considered.
- An interviewee points out that a stronger effort is needed from Member States for the governance of the system and its implementation, given that FLEGT AP is to counteract powerful market mechanisms and economic interests. In particular, the EU should be far more resolute in excluding market operators and countries systematically pursuing illegality, e.g. via trade triangulation.

On EQ5 – Achievement of objectives

- Several interviewees pointed out that it is too early to judge the achievement of objectives by FLEGT AP and EUTR. In the former case, no FLEGT licence has yet been issued; in the latter, most MSs are still in the early phase of its implementation, if it has been started at all.
- Two main factors may hinder the achievement of FLEGT objectives: (i) the lack of a significant political commitment and economic effort in supporting the FLEGT process; (ii) the lack of homogeneous commitment by EU MS in enforcing FLEGT norms, and in particular EUTR.

On EQ6 – Other, emergent outcomes

- An unexpected risk factor is the risk of merging the Italian Forest Police within the larger Police Corps. In the medium term, this could endanger the enforcement of the FLEGT Regulation and EUTR, because it is unclear how in the Police Corps FLEGT, EUTR, and other forestry-related themes will remain priorities, in terms of effort and resources deployed.
- Private parties pointed out the risk that EUTR-controls focus on wood rather than of wood-based finished products. This could trigger trade diversion rather than effectively fighting illegal logging. The public authorities underline that the first challenge is still to start controls; that said, the risk analysis would also include finished products presenting significant risk of illegality, without targeting any specific industry segment *a priori*.

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- FLEGT may become a ‘power play’ through which MSs fight an economic battle, i.e. aim at diverting trade and favouring their own operators. The European Commission should ensure that sufficient consistency across the whole EU prevents this risk from materialising.

On EQ7 – Contribution to higher objectives

- No findings could be retrieved.

On EQ8 - Efficiency

- Implementation of FLEGT and EUTR in Italy has been budget-neutral. While this is obviously cost-efficient, there is a risk that the level of resources deployed is insufficient to ensure a proper EUTR implementation.
- The private efforts towards implementing the EUTR has a cost, which has been provided by other parts of the value chain. The efficiency of this investment could be questioned if the EUTR enforcement does not effectively start and the market demand for EUTR information does not take off sufficiently.

On EQ9 – Sustainability

- No findings could be retrieved.

On EQ10 – Coherence and added value

- No findings could be retrieved.

Main Conclusions and Recommendations

The disarticulation between the forest industry on one side and the wood trading and manufacturing sectors on the other is one of the causes of the low participation of Italy to FLEGT external activities. At the same time, Italy has limited ties with tropical producer countries, and a small presence in terms of market operators therein.

The other driver of the low participation of Italy to FLEGT external activities is to be found in the institutional framework. Since forestry is now a regional policy, the Ministry of Agriculture, Forestry and Food Policies can only play a coordination and representation role. In addition to that, the international aspects of forestry policy, including FLEGT, play a more limited role in the Italian national political landscape, with a consequent loss of interest within the country and of political weight outside the country.

While the external dimension of FLEGT presents few results, **Italy has engaged in a process for implementing the FLEGT Regulation and the EUTR, which has at least three key strengths.** First, there is a single CA for both FLEGT Regulation and EUTR; secondly, there is an Independent Forest Police Corps enforcing these norms; and thirdly the Italian private sector has undertaken a series of initiatives, together with civil society organisations, to support private enterprises in complying with the EUTR.

Three conclusions can be extracted from the mission to Italy:

1. First and foremost, Italian public authorities and private stakeholders stress the **lack consistency in enforcing FLEGT policies, and in particular the EUTR**, across Europe.
2. Resources, both human and financial, provided for FLEGT and EUTR have not been sufficient to achieve its objectives
3. The Italian EUTR system features two particular cooperation strategies: **cooperation between the policy side, i.e. the Ministry, and the enforcement police**; and **cooperation among for-profit and non-for-profit private stakeholders** (trade associations, academia, and NGOs) for a public interest, that is wood legality.

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In parallel, three recommendations can be derived from the above-mentioned conclusions:

1. More effort, in particular by the European Commission, should be paid to **ensure policy consistency across MSs and an even playing field for operators**. In particular, a proper evaluation of EUTR effectiveness should not only quantify e.g. the amount of checks carried out in each MS, but also their quality and thoroughness (e.g. in terms of sanctions levied). Further to that, a minimum ceiling for sanctions should be considered.
2. **More resources should be devoted to the internal implementation of FLEGT policies, and in particular EUTR**. It has been pointed out that in the vast EU agriculture budget, resources should be earmarked to support EUTR-related tasks, such as administration, enforcement, and awareness-raising actions.
3. Though the implementation is still in its early phase, it would be worth assessing in due time **whether and to what extent the Italian cooperation strategies**, that is between police and public authorities and for-profit and not-for-profit stakeholders, **increased EUTR effectiveness** and could be replicated in other countries with similar economic or institutional challenges.

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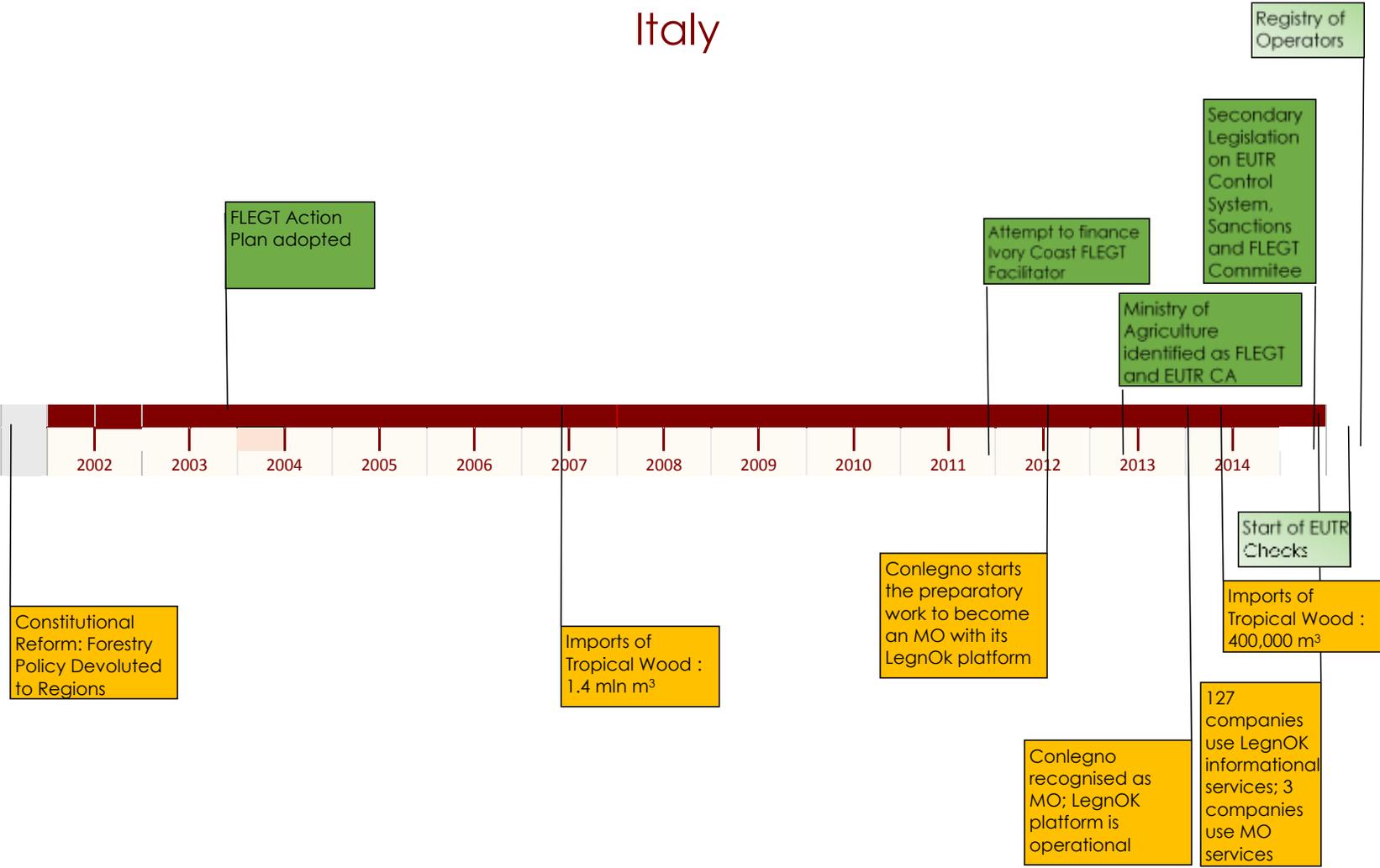
Annex 1 Mission Schedule

Time	Description, Location
12/05/1015 10:00- 13:00	Workshop with the Private Sector (Trade Associations and Monitoring Organisation) and Civil Society (NGO, University) <i>Milan, Federlegno Headquarter</i>
14/05/1015 14:00- 15:30	Interview with the Competent Authority for FLEGT and EUTR <i>Rome, Ministry for Agriculture, Forestry and Food Policies</i>
21/05/1015 10:00- 11:00	Interview with the Forest Police Corp, responsible for enforcement of FLEGT and EUTR <i>Phone Interview</i>

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Annex 2 FLEGT Timeline for Italy

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This Mission Aide Memoire is based on literature and documentation, specific written inputs provided by Dutch stakeholders, interviews and a one-day stakeholder consultation organised by the Ministry of Economic Affairs and Tropenbos International.

Situation of the country with regard to FLEGT action

a) History of involvement of the Netherlands in the EU FLEGT Action Plan

Involvement The Netherlands has been –from the beginning onwards- one of the most active Member States involved in the EU FLEGT Action Plan (see annex 2 for a timeline of events and actions). In the Chatham House indicator study the Netherlands ranked second among the five consumer countries included in the study in terms of laws, regulations and policies for tackling the problem. Moreover, it was one of the EU Member States most actively engaged in helping to negotiate VPAs (Ghana and Malaysia) (Chatham House, 2014).

The Netherlands was also one of the main supporters of the development of the EUTR: In 2007 the Dutch Government, after a joined request by Greenpeace and the NTTA (The Netherlands Timber Trade Association/VVNH) and supported by the Dutch Parliament, raised the issue during the EU Agriculture and Fisheries Council in 2007 to ask the European Commission to propose additional legal measures to strengthen the EU FLEGT Action Plan.

Most stakeholders and their activities in the Netherlands focus on timber from sustainably managed sources rather than on legal timber. The Public Procurement Policy does not recognize FLEGT licensed timber, but timber from sustainably managed sources only. Part of the private sector, notably the NTTA, targeted that in 2015 averagely 85% of all timber traded by their members³¹ would be sustainable, which was reached in 2013 already (see for more detailed figures ‘On EQ2 Design’).

Trade of legal and illegal wood-based products The Netherlands is one of the main timber product importers of the EU. In 2011 the Netherlands ranked 5th within the EU-27 (at that time) as importer of timber coming from outside of the EU, after UK, Germany, France and Italy (Forest Trends, 2013). In 2013 the Netherlands imported 24.8 million m³ RWE wood-based products and produced 1.1 million m³ domestically. They exported 14.9 million m³ and consumed (end-use) 10.6 million m³ (Probos, 2014).

Of all presumed **illegal timber** imported into the EU-28, the Netherlands takes a share of around 7% (estimated based on Chatham based figures). As can be seen from Chart 1 and 2, the share of presumably *illegal timber and paper* of the total import into the Netherlands is small: The share of illegal timber in 2013 (in volume) is estimated to be around 2%. The main source countries of the presumed illegal timber include China, Russia, and Indonesia.

Brazil is one of the main source countries for presumed illegal paper products, while the share of Indonesia has decreased significantly over the last 13 years (see chart 2).

³¹ The members of the NTTA approximately cover 70% of the timber volume traded in The Netherlands

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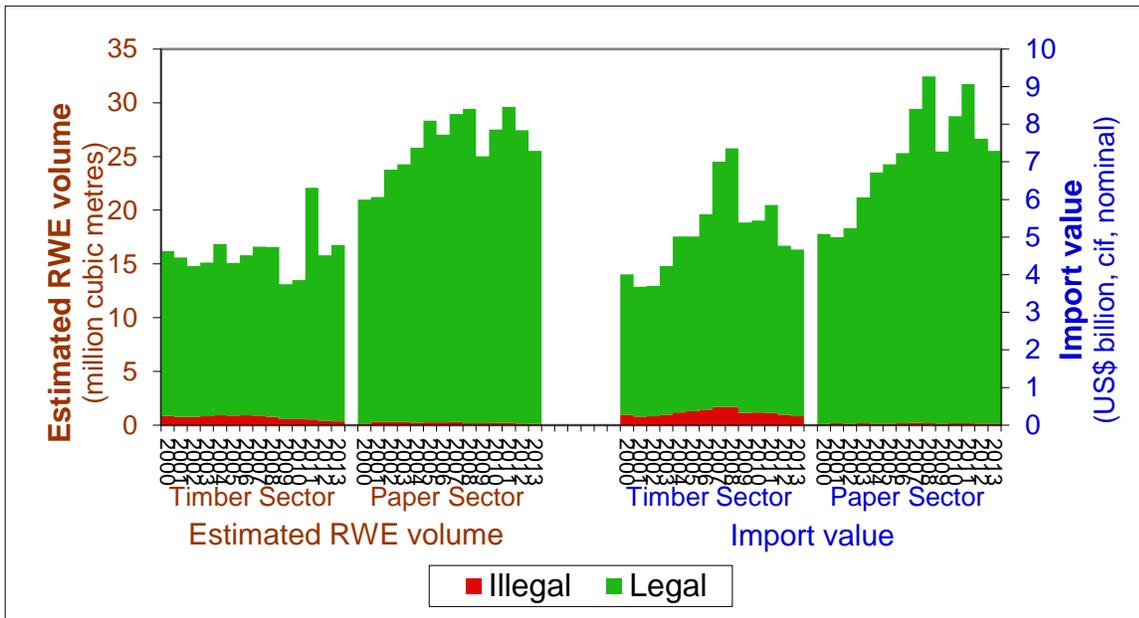


Chart 1 Estimated share of illegal and legal imports in the Netherlands of wood-based products, in volume and value, 2000-2013

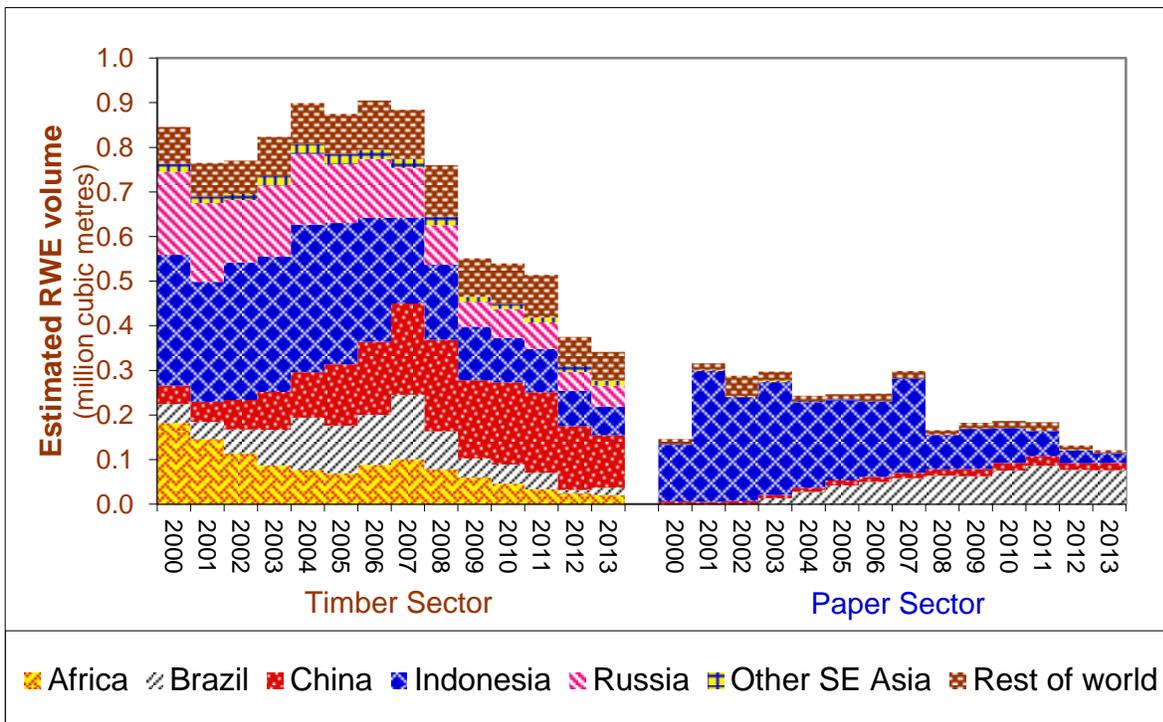


Chart 2 Estimated imports of illegal wood-based products into the Netherlands, per source country, in volume and value, 2000-2013

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b) Main stakeholders

Government In the Netherlands the Ministry of Economic Affairs is the lead Ministry of the EU FLEGT Action Plan. The ‘*Nederlandse Voedsel en Waren Autoriteit*’ (NVWA, The Netherlands Food and Consumer Product Safety Authority) under the same Ministry is the Competent Authority of the EUTR (AA2 Trade in Timber). The NVWA works in close collaboration with Customs (under the Ministry of Finance) to enforce the EUTR. Other departments involved in the EU FLEGT Action Plan include the Ministry of Foreign Affairs (AA1 Support to producing countries), and the Ministry of Infrastructure and Environment (AA3 Public Procurement Policy). The Ministry of Security and Justice is involved with regards to criminal law, enforcement in general and prosecution.

Private Sector One of the key players in the Netherlands is the Netherlands Timber Trade Association (NTTA), representing 259 timber corporations. Besides, FSC and PEFC are important semi-private sector organisations. The IDH Sustainable Trade Initiative, a public-private partnership is another stakeholder; it promotes sustainable development of commodity trade chains, including timber. The Dutch private forest owners are not very much engaged in the FLEGT Action Plan activities.

Finance and Banking sector This sector has till date not been involved in EU FLEGT Action Plan activities in the Netherlands, but first contacts have been made with the FMO (The Dutch Development Bank) and ACTIAM (investor, with managed assets amounting to € 51 billion on behalf of the insurers REAAL and Zwitserleven, and ASN Bank). During the NL consultation for the EU FLEGT Action Plan Evaluation ACTIAM gave a short presentation.

NGOs In the Netherlands a number of NGOs have activities related to the EU FLEGT Action Plan: a) environmental international NGOs like Greenpeace, the WWF-NL, the IUCN and ‘Milieu Defensie’ (Netherlands Friends of the Earth); and b) development NGOs like ICCO, SNV and Both Ends. In 2015 Tropenbos International, IUCN and ‘Milieu Defensie’/Netherlands Friends of the Earth developed the **Green Livelihood Alliance** (with financial support from the Ministry of Foreign Affairs) that pays attention to FLEGT as well.

Think tanks/ academic world Tropenbos International (a Dutch Think tank/NGO on Tropical forest research for nature conservation and sustainable use of rain forests has programmes in Ghana, Guyana, Colombia and several other countries), Wageningen University performs research (among others with funds from the Ministry of Economic Affairs). Leiden University (CITES) and Utrecht University play modest roles in FLEGT related activities as well.

Key Findings

On EQ1 (relevance): *What are the objectives and ultimate goals of the FLEGT AP, how were they determined, and how were they relevant to stakeholder problems, priorities and needs in the EU, MS and in producer countries in 2003? How has the relevance of FLEGT AP objectives been affected by external developments since 2003, and how is it likely to be affected in the future?*

- Stakeholders interviewed and those present during the NL consultation consider the EU FLEGT Action Plan still as a relevant instrument for different reasons: Some of the NGOs see the EU FLEGT Action Plan as a first step towards sustainable forest management; FSC expects the Action Plan to contribute to Sustainable Forest Management; The European Timber Trade Federation (ETTF) (also present at the NL consultation day) actively supports eradication of illegal timber trade through FLEGT, since it undermines international competition, and the Ministry regards the relevance of EU FLEGT Action Plan unaltered as an instrument for contributing to sustainable forest management and forest governance.

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- Stakeholders agree that the drivers of deforestation have changed in relevance since 2003 and mention especially the **conversion of forest** into agricultural production land. As FERN stated during the NL consultation day: ‘EU imported an estimated EUR 6 billion of beef, soy, palm oil and leather from illegally deforested land in 2012, most of it to 5 member states only. Policies and plans should be developed how to address EU consumption of commodities driving (illegal) deforestation to meet EU commitments’ (presentation FERN, 2015). WWF-NL states that agriculture and cattle ranching (85%) are the main cause of deforestation; logging, pulp & paper production cause 10%, and contribute to forest degradation (presentation WWF-NL, 2015).
- While some stakeholders state the EU FLEGT Action Plan cannot continue without paying attention to this conversion issue, others are more hesitant about including conversion in the VPAs. One interviewee states ‘You need to be careful not to put too many extra objectives onto the pile of objectives of FLEGT’. Another says ‘Yes, more attention is needed for the drivers of deforestation, but VPAs may become too complex if you also include this issue.’
- Also the increased domestic and regional consumption of wood-based products of timber producing countries, and the changes of trade flows towards China and India were mentioned as developments that bear on the relevance of the Action Plan. As at least two of the stakeholders stated: ‘NL and EU should focus more **on India and China**, on political and diplomatic lobbying since without these two countries EU cannot do much.’ Trade has drastically changed in the last decades: Value is added to logs in producer countries and import of logs in the EU has largely given way to sawn wood and wood products.
- During the consultation day one of the stakeholders raised the point that the total annual EU import of **tropical timber** is 3 million m³, which is 0,5% or EU’s total timber consumption³². This figure has decreased over the years. **Most timber traded in the EU comes from within the EU** (or from non EU European countries), including from illegal logging operations in e.g. Romania. It was mentioned that EU should certainly pay more attention to illegal logging within Europe. At the same time it was concluded that the decrease in imports of tropical timber is not a reason to do nothing and conservation of these forests is an important argument. Almost all VPAs do not only address exports but also the domestic and regional markets.

Key lessons drawn by evaluation team member: The EU FLEGT Action Plan is still considered relevant by NL stakeholders, however attention is needed for forest conversion, domestic markets, and the shift in trade flows. Illegal logging does not only take place in tropical countries, but also in Europe and within the EU. Attention is needed for not only tropical but also for temperate timber.

On EQ2 Design *To what extent were the overall FLEGT strategy, the seven Action Areas and related actions and policy instruments appropriate for achieving the objectives of the FLEGT AP? Were there any important omissions? In light of external developments since 2003 and current trends, are they still appropriate today and are they likely to be appropriate in the future?*

- **In general** stakeholders in the NL are satisfied with the design of the FLEGT AP. Especially the combination of supply and demand measures is mentioned as good part of the design, as well as

³² Although this figure was mentioned during the consultation day, the import volume of tropical hardwood (timber) is more precisely around 6 million m³ RWE per year (6 in 2012, and in 2013 5 million m³), which is around 1% (1.3%) of the total end-use of timber in the EU in 2013 (source: Trade and end-use analyses by the FAP evaluation team).

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the broad involvement of stakeholders. The demand and supply side measures approach could - in the eyes of stakeholders - also be a good approach for other commodities and for a possible plan on deforestation.

- Also in the Netherlands there is discussion about the **objectives of the EU FLEGT Action Plan**: Is it about tropical timber only or does it include all timber, and/or all wood based products, is it about keeping illegal timber out of the EU, or about improving forest governance?
- In the Netherlands the focus of part of the private sector and the government is more on **forest governance and sustainable forest management** than on legality: Part of the private sector and the Public Procurement Policy are focusing on timber of sustainably managed forests. The Public Procurement Policy does not recognize FLEGT licenses. The EU FLEGT Action Plan is about legality and forest governance. The definition of legality refers to compliance to the producer country's laws and legislation. This means that legal timber and other wood-based products entering the EU can mean different things depending on laws and regulation of the origin country, sometimes possibly close to sustainably produced timber, sometimes not.

Already in 2009 the NTTA stated they will ensure that in 2015 50% of hard wood, 85% of ply wood and 100% of pine wood that is imported into the Netherlands and used by their members, is from sustainably managed sources. The objectives for hard wood were met already in 2013 (55% in 2013, 56.3% in 2014), the objective for plywood in 2014 (82.9% in 2013 and 89.2% in 2014) and the percentage of sustainably produced pine was in 2014 96.2%. For the remaining percentages the NTTA is exploring what financial instruments could be used to make it 100%. The private sector is asking itself 'Is legal timber good enough for us?' (as one interviewee puts it), and the answer may be 'no'.

- Stakeholders mentioned **two main design errors in the EUTR**: It is forbidden to place illegal timber on the market, and operators need to comply with DDs requirements. For the first part of the EUTR: There is a lack of tools to determine whether timber is illegal or not, and for the second part (DDS) the EUTR works with an open norm regarding risk mitigation. The main question asked here is: when are the risk mitigation measures sufficient?

Key lessons drawn by evaluation team member: Discussion and activities in the Netherlands focuses more on timber from sustainably managed forest than on 'legality' per se, like the Green Public procurement Policy, the Green Deal on Sustainable forest management, and the Private Sector sustainable ambitions of the NTTA. Two main design errors were mentioned in the EUTR: There is a lack of tools for determining illegality of timber; the norm for risk mitigation is open, which makes it unclear when mitigation is sufficient or not.

On EQ3 Effectiveness -*To what extent have interventions and policy measures within the seven Action Areas led to the intended results (output and outcomes)? What mechanisms, actors and factors have influenced the levels of achievement, and how could the effectiveness of the action areas be increased?*

AA1 Support to producer countries

- The Netherlands is **one of the few countries in the EU that actually provides support** to this Action Area. The Dutch Government has supported Ghana and Malaysia in their VPA process, while at the same time it used to have a strong forestry focus under the ODA budget (supporting Bolivia, Columbia, Brazil). However, currently there is no longer a specific ODA Forestry policy. The Netherlands also co-financed the Timber Trade Action Plan (TTAP) 2 programme, the

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Tropical Forest Law Enforcement & Trade (TFLET) at the International Tropical Timber Organisation, the IUCN Livelihood and Landscapes programme and provides overall support to e.g. EFI (MS Survey, FLEGT Action Plan evaluation).

- Several **development NGOs** have been supporting countries as well with programmes like ICCO (Vietnam, Ghana, Liberia), SNV the Netherlands Development Organisation (Cameroon), and Tropenbos International (Ghana and Guyana). They mainly focus on supporting capacity strengthening of CSOs and NGOs (like ICCO in Vietnam and Ghana), on forestry SMEs like Tropenbos International in Guyana and Ghana, and SNV in Cameroon.
- Various stakeholders raise their concern for the **declining ODA funds in the Netherlands**, while the support is so much needed. Some stakeholders recognize that the implementation of the EU FLEGT Action Plan cannot continue as it is since there are not sufficient EU/MS capacities and financial resources to sustain the Action Plan (see also EQ 9).
- At the same time the question is raised whether the EU should **focus on all producing countries** including those that do not or hardly export to the EU, or that a division of labour could be made between the EU, the USA and Australia etc. The USA is already implementing the RAFT programme in SE Asia. Another question was raised whether the EU should focus on **very poorly governed** countries.
- Support to producing countries (Action Area1) is mentioned as one that produces results: One of the main achievements mentioned was the **enhanced forest governance** ('this touches upon one of the most fundamental issues that will benefit other processes to come', 'it is an investment in the future of a society' as respondents say), and specifically the **multistakeholder involvement** and increased **transparency**. Nevertheless, some interviewees are also questioning the tangible results of the multistakeholder processes in the field of reduced illegal timber and trade.
- The inclusion of **domestic market** in the VPAs is seen as an achievement as well: without domestic market no improved governance.
- The **VPA process is extremely slow**, complex and time-consuming and till date there is no FLEGT timber on the market. This is partly due to the fact that VPA countries decided to include the domestic market in the process (which is positive in itself), and the diverging views of stakeholders on legality. Some stakeholders suggest simplifying the VPA process into a two-track system: a first step for export, a second one for the domestic market. There is a risk that the second step will never be set.
- The **NL private sector** did not sufficiently take up their role and invest in the Action Plan / take the seat around the VPA table for various reasons: they were not explicitly invited by the Ministry to take their seat while they state they have many contacts in producing countries including in VPAs and as such could have played a role through their contacts. During the consultation day it became clear that this is a missed opportunity with regard to business-to-business interventions.
- **Tropical timber** has an image problem. However, IDH, Tropenbos International and the Ministry of EZ made a start to improve this reputation by launching the European Sustainable Tropical Timber Coalition (ESTTC).

Key lessons drawn by evaluation team member: The funding base for Action Area 1 Support to producing countries depends on a limited number of MS countries, including the Netherlands. A focus

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on those **producing** and **consuming** countries that matter most with regards to illegal logging and trade could be helpful, as well as involving the MS Private sector into the VPA processes. Simplifying the VPA process could be relevant for speeding up the VPA process.

AA2 Trade in timber

a) Multilateral and bilateral frameworks

- Several stakeholders ask more attention for consumer countries like India and China: 'NL and EU should focus more **on India and China**, on political and diplomatic lobbying since without these two countries the EU cannot do much.'
- Others remark that collaboration and a division of labour among the EU, the USA and Australia are needed to harmonise or mutually recognize their 'import' regulations to really be effective.

b) FLEGT licenses

- During the consultation day the Ministry made the announcement that **Indonesia** will very likely start issuing FLEGT licenses in the first half of 2016. In general two types of reactions can be noted: People stating they have heard this before (mainly PS stakeholders), and people especially from NGOs that fear compromises will be made that will be detrimental to the value of FLEGT licenses ('we fear that the EC will compromise itself, and that control of FLEGT licenses will become as sloppy as the control of CITES'). While others state 'Putting the requirements too high may mean operators will stop trading in FLEGT licensed timber, so that you will lose your influence'.
- FLEGT licenses: Part of the private sector is focusing on **sustainable timber**, and not on legality. 'Legality does not sell, people assume that whatever they buy on the Dutch market is legal.' In first instance the private sector was worried that their objectives to go for certification for sustainability would be harmed by the perceived lower requirements of legality (due to the variety in the definition of legality per source country) of FLEGT licenses, but till date this has not become reality.
- The remark was made that as soon as the FLEGT licenses are put on the EU market it **looses its value**. So why would the private sector be interested in FLEGT licenses? With other words 'Is there a market for FLEGT licenses?'
- The Dutch NVWA says it is **technically ready for receiving FLEGT licensed timber**, only staff still needs to be trained and importers need to be made aware how to deal with FLEGT licensed timber. To test their readiness for FLEGT licenses, a pilot load from Indonesia was sent to the Netherlands.

c) EUTR

- Among the Dutch stakeholders there is **great support for the EUTR**. NGOs, the private sector and the government have from an early stage onwards (2007) lobbied for such a regulation. The fact that the regulation is there can be seen as an achievement in the eyes of stakeholders. 'At least there is a regulation now'. 'There is a signal now, there is a threshold of legality.' The CA also noticed an increased awareness of source and processing countries, and Chinese and Vietnamese officials came to the Netherlands to understand the system. Private sector stakeholders claim that the private sector has an enhanced **awareness** of illegal timber, especially due to the EUTR.

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- However, stakeholders mentioned many **challenges**, ranging from weak design, weak implementation within the Netherlands, lack of harmonisation between various EU countries, and the scope of the EUTR.
 - The **weak design** was mentioned before under EQ2: No instruments to determine illegality of timber, and an open norm for risk mitigation.
 - **Weak implementation** was mentioned by some stakeholders as well: Greenpeace has indicated and warned the NVWA/ CA several times that a presumed illegal load of timber was about to be placed on the market (see Greenpeace, 2015), while the CA/prosecutor could not act on it since it considered there was not sufficient proof of illegality (however, checking official papers from high risk countries is not deemed sufficient). Furthermore Greenpeace suggest that more transparency, faster enforcement, more rigorous enforcement, a national team illegal timber, more capacity NVWA, better training of inspectors, and better coordination with other countries are needed. Greenpeace has started a campaign called ‘Fout hout’ (wrong ‘illegal’ timber) to ask public attention for the in their eyes weak implementation. The criticism of Greenpeace is not necessarily shared by other stakeholders, although the issue of not being able to proof illegality is a concern shared by others. Other stakeholders state that the NVWA in its operations makes clever use of its limited means.
 - **Lack of harmonisation** Greenpeace, FSC, WWF-NL but also other stakeholders mention the lack of even harmonisation of the implementation of the EUTR in the EU-28 (Greenpeace, 2015; FSC, 2015; MinEC and Tropenbos, 2015). There are ‘different interpretations of the EUTR requirements between CAs from different countries or even between individual inspectors within one country. This relates to different elements, such as: “measures and procedures providing access to [...] information.” (EUTR 6.1.a). Some inspectors insist that an operator needs to have full sets of documents related to any shipment, rather than having an efficient system in place to check the legal performance of the providers at regular intervals. Some inspectors seem to ignore the flexibility and proportionality built into DDS requirements and go for a maximalist, bureaucratic interpretation. There is confusion and different approaches about what “negligible risk” in the EUTR means in relation to the ‘low risk’ that certification and verification schemes usually apply.’(FSC, 2015).
 - **Limited scope** Especially the environmental NGOs like WWF-NL and Greenpeace, and FSC would like to see an extension of the scope of the EUTR, but other stakeholders also see inconsistencies in the list of products falling under the EUTR. Through a Probos study (commissioned by WWF-NL) it was made clear that especially furniture, toys/musical instruments and certain wrapping paper is not included in the EUTR (Probos, 2015). The study reveals that the EUTR covers less than 50% of the value of wood-based products entering the EU market. During the NL consultation day WWF-NL in collaboration with Greenpeace launched a campaign for an ‘industry statement for the review of the EUTR’, to be signed by private sector actors. In the statement they request for a broadening of the scope of the EUTR and for a better-harmonized implementation of the EUTR among the various MS.
- d) *FSC and EUTR*
- **Green lane or not:** Some private sector stakeholders suggest to apply the green lane to FSC and PEFC as well, like the Australian Illegal Logging Act is doing. However, FSC itself does not plea for Green Lane of FSC. FSC stakeholders called for easier ways to comply with EUTR rather than incorporating FSC criteria in EU legislation.

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- **FSC as tool to mitigate risks** The way CAs interpret the role of FSC certification in EUTR compliance is seen as problematic by FSC. There is ‘ limited understanding of CA’s about how certification schemes work, the under-appreciation of FSC certification as a reliable tool to mitigate risk, and the lack of clear guidance about what else is required to assess and mitigate risk.” They state ‘It has raised doubts in the business sector as to whether FSC certification can be relied on as proof of legal sourcing, which is the first and very important building block for sustainable sourcing. This can become particularly problematic for operations in those countries with a high risk of illegal practices, where certification matters most’ (FSC, 2015). In support of the EUTR, FSC has taken measures to ensure its requirements are aligned with the regulation, as well as with similar USA and Australian laws where appropriate (see <https://ic.fsc.org/ensuring-compliance.493.htm>). This was done by a) further elaborating its definition of legality; b)
- incorporating trade and customs laws into FSC’s CoC and Controlled Wood standards; and c) ensuring that where the FSC definition of ‘reclaimed material’ is not in line with the concept of ‘waste’ in the EUTR, due diligence is applied (FSC, 2015).

e) CITES

- CITES timber products have - under the EUTR - a green lane, just like to FLEGT licensed timber. Some of the NL stakeholders raised concerns about the implementation of CITES and the likeliness of **green washing of illegal timber** through CITES, especially in countries where the capacities of the managing authorities are considered weak. However, quantities of CITES timber are usually small and during 2008-2012 there was only one enforcement action against CITES: African teak in 2010 (Afromosia from Cameroon and DRC). Therefore the risk of green washing through CITES is considered small.

Key lessons drawn by evaluation team member: In general the stakeholders support the EUTR but quite a number of challenges need to be solved, ranging from weak design, perceived weak implementation within the Netherlands, lack of harmonisation between various EU countries, and the limited scope of the EUTR.

AA3 Public Procurement Policy

- Since 2004 the Netherlands has a Green Public Procurement Policy. From 2010 on only sustainable produced timber products could have access to the Dutch procurement policy. This means among others that the policy does not recognize **FLEGT licenses** since it has ‘sustainability’ as minimum (questionnaire NL). An independent commission – the Timber Procurement Assessment Committee (TPAC) - assesses certification schemes on compliance with the PPP on a regular basis.
- The PPP is an important instrument since the government consumes a lot of timber (approximately 20 % of the national consumption), among others for road and water infrastructure.
- There are policies on PPP at central level, provincial level and local level and all aim to have 100% sustainable products by 2015. These objectives are laudable, the practice is a bit more difficult: Although official contracts require timber from sustainably managed forest, in practice this is not always used and control measures are not always taken. The difference between sustainable timber and legal timber is sometimes unclear, particularly when the legal context in

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a producer country is advanced towards sustainable forest management. The two categories compete in tender processes. This creates tension between the FLEGT process and public procurement. To promote the import of timber from sustainably managed forests, the government has agreed on a Green Deal on Sustainable forest management (see AA4).

- The Ministry of EZ is concerned by the fact that FLEGT licenses are not recognised by the PPP as it gives the wrong signal to VPA countries and it means inconsistency with the general policy on promoting sustainable forest management. Other stakeholders reason that recognizing FLEGT licenses as equal to sustainable would take away the incentive to go for the sustainability level.
- Recently the admission of MTSC timber from Malaysia under the PPP was debated. Although the TPAC concluded in 2010 that MTSC did not meet the Dutch criteria, the minister decided in 2014 to accept MTCS timber for a period of 2 years, by temporarily lowering the threshold for compliance to 7 out of 9 criteria. This year the issue received a lot of attention in the media due to the visit of the Minister to Malaysia and since the two- year period will come to a close by June 2016. The minister has expressed her intention to accept the MTSC conclusively under the PPP. TPAC however still needs to do a re-assessment, of which the outcome is still to be seen. As the final political decision is with the Minister, the question is whether the Minister will follow the advise of this technical advisory body.
- Related to the PPP, the government signed a Letter of Intent with the NTTA, the Union for Timber Producers (NBvT), the Union of Water Boards and the Ministry of Infrastructure and Environment in 2009 on the procurement of sustainably produced timber. In that Letter of Intent the NTTA (and the NBvT) state they will ensure that in 2015 50% of hardwood, 85% of plywood and 100% of pinewood that is imported into the Netherlands and used by their members, is from sustainably managed sources. The objectives for hard wood were met already in 2013 (55% in 2013, 56.3% in 2014), the objective for plywood in 2014 (82.9% in 2013 and 89.2% in 2014) and the percentage of sustainably produced pine was in 2014 96.2% (Probos, 2015).

Key lessons drawn by evaluation team member: The PPP of the Netherlands has a focus on timber from sustainably managed forest, and has moved beyond legality. This has also influenced practices of the private sector in The Netherlands by increasing the demand for sustainably produced timber. However, the PPP is not an incentive to deliver FLEGT licensed timber.

AA4 Private sector initiatives

- The NL Government supported the **TTAP 2 programme**, a programme especially geared at the private sector in producing countries.
- Tropenbos International supports in Ghana especially projects on alternative livelihoods for small-scale millers (former illegal chainsaw millers).
- The NL Government has a range of Green Deals between Governmental institutions and the Private sector. One of these Green Deals is the **Green Deal on promoting Sustainable Forest Management**, with IDH Sustainable Trade Initiative, the various trade unions, branch organisations related to timber and Tropenbos International. The objective of the green deal is to stimulate sustainable forest management through increasing the share of timber coming from sustainably managed forests on the Dutch market. The EU FLEGT Action Plan is mentioned in this Green Deal, but the Green Deal cannot be seen as a spin-off of the FLEGT Action Plan.

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Under the Green Deal a study was conducted on how to promote the share of sustainably produced timber with financial instruments (CE, 2015). Also an analysis was made of obstacles to increase the share of tropical hard wood/timber from sustainably managed forests (as discussed above 56% of the imported tropical hard wood comes from sustainably managed forests in 2014).

- Based on the Green Deal, the European Sustainable Tropical Timber Coalition was established in 2013 to replicate this initiative at EU level.
- With regard to the EU FLEGT Action Plan, the Ministry stated that the **Private Sector is not very active**, with regards to investments in VPA processes. The private sector at both Dutch and EU level repute that the Ministry never invited them to participate while actually they have very direct connections also with the private sector in producing countries. In general, importing companies have been too little involved; and they neither they have the funds, means and capacity to do so.

Key lessons drawn by evaluation team member: This Action Area has received limited attention in the Netherlands except for the TTAP 2 programme. In the Netherlands, quite some activities are on-going on SFM rather than on legality, also with regard to the import of tropical timber. It seems the Netherlands have moved beyond legality towards SFM. At the same time there is an interesting potential for involving private sector actors in VPA processes and in support to producer country activities.

AA5 Financing and investment

- This Action Area has not received much attention in the Netherlands; mainly because of a **lack of connections with the F&I sector**, and lack of knowledge and ideas on how to approach this issue. Over the last year some attempts have been made to better understand this action area, 1) indirectly through a study into Financial Instruments for the promotion of timber from sustainably managed forests of which one concerns Green Investment (the study does not focus on inclusion of Financial and Investment institutions, but has among the measures highlighted the promotion of sustainably sourced timber and the adjustment of Green Investment rules), and 2) through inviting ACTIAM (and others), an investment agency, to the NL consultation day.
- Stakeholders think this Action Area is potentially very promising since there are plenty of initiatives on Corporate Social Responsibility and the Green Economy.
- ACTIAM's contribution to the NL Consultation Day: The financial sector has long been quite reactive in the field of sustainability, but the trend is now bent into a more proactive course. What could they do for FLEGT? Screen portfolios, deploy means for responsible investment, stimulate sustainable chain management in their companies, cooperate with other stakeholders (government, NGO's etc.). For instance, data procurement has always been ex post, so that deforestation impact of an investment could only be evaluated afterwards. Now most financial institutions are bringing this forward. In addition, more is done to invest in positive activities and cooperation with other institutions is expanded.
- The financial sector needs practical tools, company specific information, impact information (which companies have impact? Which have a good policy but yet little impact?) and best practices. Formulation of standards would help (e.g. compliance with FLEGT, FSC etc.).

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Key lessons drawn by evaluation team member: This Action Area has received limited attention in the Netherlands, but is still considered potential. What is lacking from both sides (FLEGT and F&I) is insight in each others' fields of work: what are they doing, who are the players, where is the money invested, and move from there onwards. As stated during the NL consultation day: 'Recognize the crucial importance of the financial sector for success and use the sector's enormous leverage potential. In the end it is improving the competitiveness of sustainable forest management against alternative land uses that counts'.

AA6 Use of existing legislative instruments to combat IL/T

- The various stakeholders in the Netherlands have not paid much attention to this Action Area either, although at an earlier stage the Ministry of Economic Affairs commissioned - together with Germany - a study into the use of anti-money laundering regulations. The ministry states that further study is needed to proceed with this Action Area.

AA7 Conflict timber

- Conflict timber is an Action Area that received no attention. The Ministry regards conflict timber as an international trade matter for which the EU should take action.

On EQ4 Implementation, management and coordination *Have the elements of the FLEGT Action Plan been implemented in a balanced manner, reinforcing each other and producing the expected synergy? Have there been any gaps or shortcomings in the implementation and management of the FLEGT AP, and how has this affected its overall effectiveness?*

- The Ministry of Economic Affairs is coordinating EU FLEGT Action Plan activities in the Netherlands. Other Ministries that are involved in FLEGT activities include the Ministry of Foreign Affairs (Support to producing countries), the Ministry of Infrastructure and Environment (PPP), and the Ministry of Finance (customs for FLEGT license etc.). The Nederlandse Voedsel en Waren Autoriteit (The Netherlands Food and Consumer Product Safety Authority, under the Ministry of Economic Affairs) is the Competent Authority for the EUTR.
- The Ministry of Economic Affairs is working closely together with a range of FLEGT stakeholders like Tropenbos International, and with part of the private sector like the NTTA and other private sector parties on FLEGT as well as on the Green Deal. Furthermore, there is a rather good exchange between the government and NGOs like Greenpeace, WWF-NL, and IUCN etc. For the EUTR the Ministry organised two stakeholder consultations in 2011 and in 2013. Another one again was organised for the evaluation for the EU FLEGT Action Plan.
- A large part of the FLEGT stakeholders convene regularly (3 times/year) at the (informal) "Bossenoverleg" (Forest Forum) where experts, stakeholders, officials etc. convene to discuss anything related to international forestry management and policies, and timber, including the EU FLEGT Action Plan.
- Various stakeholders have been working together to lobby for the EUTR at NL and EU level, including the government, the NTTA and Greenpeace.
- Greenpeace and to a lesser extent WWF-NL serve as watchdogs on a proper implementation of the EUTR. Greenpeace frequently indicated to the NVWA the arrival of 'illegal' timber to Dutch harbours, and has started the campaign 'Fout Hout' to ask the public's attention for a better

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implementation and enforcement of the EUTR. WWF-NL launched a study to show how much 'illegal' timber is still entering the Netherlands due to the limited scope of the EUTR.

- On balanced implementation: Earlier it was mentioned already that some of the Action Areas did not receive much attention, including AA4 Private Sector Initiatives, AA5 Finance and Investment, AA6 Existing legislation, and AA7 Conflict timber. According to the Ministry of Economic Affairs this has to do with priority setting and starting with those action areas that deserves most attention.
- On balanced implementation 2: Although the private sector is included in the PPP through the Green Deal and other initiatives, there is no active connection between the Private Sector and the implementation of the FLEGT Action Plan in e.g. producing countries (and VPA processes) while the private sector undoubtedly has many connections there as well. Also no connection was made with Financial and Investment institutions.
- As has been stated before under AA1, the NL government remarks that the implementation of the EU FLEGT Action Plan cannot continue as it is, since there are not sufficient capacities and financial resources to sustain the Action Plan. Synergy needs to be created with other consuming countries and their import regulations need mutual adjustment.

Key lessons drawn by evaluation team member: Implementation of the EU FLEGT Action Plan in the Netherlands is not very balanced with quite some attention for some of the AAs like AA1 'Support to producer countries', AA2 'Trade in timber', and attention for AA3 Public Procurement Policy (although this was an already on-going activity not only related to FLEGT). The other AAs get less or no attention. Although it is understandable to give priority to certain action areas first, it is also a lost opportunity for the action areas that received less attention. The Ministry of Economic Affairs is skilled at involving NGOs and the Academic/Think tanks for lobbying and consultation, but paid less attention to asking the private sector for their active support (timber trade sector and finance and investment sector). The private sector has not been very proactive in taking up that role either.

On EQ5 Achievement of objectives *To what extent have the objectives of the FLEGT AP been achieved or are they likely to be achieved? To what extent and how did FLEGT Actions contribute to these achievements and to what extent were achievements the result of other instruments and trends? What actors, factors and mechanisms are affecting FLEGT AP impact? Which stakeholders have benefited and which have not?*

There are three main objectives of the EU FLEGT Action Plan: a) Improved governance, b) Reduced consumption/demand of illegal timber in the EU and c) Reduced illegal timber and trade at global level.

Forest Governance

- In general the stakeholders perceive this as one of the strongest achievements of the EU FLEGT Action Plan. What is important to take into account is what the baseline of the countries was: Where did they come from in terms of forest governance? Ghana already had made some moves in terms of forest governance, while in the Central African Republic and the DRC this is a different story. Therefore it is also not surprising that in some countries the process takes a long time. Indonesia and Malaysia have come a very long way, according to some of the stakeholders. The EU FLEGT Action Plan encouraged multi-stakeholder dialogues in producer countries and arranged a place at the table for stakeholders.

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Reduced demand of illegal timber (EU and NL specifically)

- From 2004-2007 the import of likely illegal wood based products into the Netherlands decreased slightly, with a sharp decline in 2008. In 2013 the Netherlands imported 2% likely illegal timber products and 1% paper products. The main source countries of the presumed illegal timber include China, Russia, and Indonesia. Brazil is one of the main source countries for illegal paper products, while the share of Indonesia has decreased significantly over the last 13 years (see chart 2). Although the EUTR may have had an influence from around 2010 onwards, it is very likely that the reduction of illegal wood based products into the Netherlands has been caused by a reduction in trade in general (as can be seen from import statistics).

Reduced illegal timber and trade globally

- The Netherlands consultation does not have data to argue whether or not global production and trade in illegal timber has reduced or not. According to the data available to the evaluation team there are strong indications that the occurrence of illegal logging and trade has globally not been reduced (Chatham House, 2014).

Key lessons drawn by evaluation team member: The EU FLEGT Action Plan has mainly contributed to improvements in forest governance. The EUTR may have contributed to reduced illegal imports into the Netherlands, although other factors may have had more influence (economic situation, bad reputation of tropical timber etc.).

On EQ6 Other, emergent outcomes *What other emergent, unexpected outcomes, impact and side effects, either positive or negative, have FLEGT actions (including the EU-TR) brought about? Who benefitted and who did not, and through which mechanisms?*

A few emergent outcomes were mentioned:

- Forests seem to be back on the political agenda, e.g. in the forthcoming World Economic Forum and the Climate Change Conference, and in the Netherlands also in relation to sustainable energy from biomass³³.
- The EU FLEGT Action Plan has led to trade negotiations where stakeholders play a meaningful part. This should be an example for other commodities.

On EQ7 Contribution to higher objectives *To what extent has the FLEGT Action Plan contributed to its higher objectives in partner countries? Through what pathways have these benefits been achieved, and how could the FLEGT AP contribution to these objectives be enhanced? How could good practices from FLEGT inform work in other sectors?*

Sustainable forest management

³³ Davos, January 2016 and Paris, Nov-Dec 2015, respectively

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- Many stakeholders emphasize that legality is a first step towards sustainability (including the Ministry of Economic Affairs): The ultimate goal for them is sustainable forest management.
- As stated before: The Netherlands has moved beyond 'legality', and sustainable forest management seems to be the core issue.

Poverty

- Dutch stakeholders like Tropenbos International work in producing countries like Ghana to ensure the illegal chainsaw millers get alternative livelihoods.
- No further data available.

Sustainable development

- No information.

On EQ8 Efficiency *To what extent have the various FLEGT actions, by the EC, by MS and by partner countries been cost-effective and commensurate instruments for achieving FLEGT objectives?*

- The Netherlands government is one of the member states that have provided funding for the overall FLEGT programme, including support to producing countries, and ranks third of all MS funding the EU FLEGT Action Plan (estimated at more than €60 million over 12 years).
- There is a perceived lack of overview with stakeholders which actions are being undertaken by MS, the EC, the European Forestry Institute and others in the framework of the FLEGT-AP, especially on the different areas.

No remarks specifically on past efficiency are made, however, several suggestions were placed on how to be more efficient in the future:

- More focus on a few countries that really deliver significant amounts of timber to the EU and where improvements are to be expected on the short term.
- Promote the use of VPA's as an instrument for creating an enabling environment for investors in the forestry sector.

Key lessons drawn by evaluation team member: It would be helpful to have an overview which actions are being undertaken by MS, the EC, the EFI and others in the framework of the FLEGT-AP, especially on the different areas. More strategic focus on those countries that contribute most to illegal logging and trade, and those that are serious in improving forest governance.

On EQ9 Sustainability *How likely are FLEGT mechanisms, systems and positive impacts to be sustained and over what time frame? To what extent do the issues addressed by FLEGT interventions continue to require action at the EU level, and what could be the consequences of stopping the EU interventions? What factors and conditions foster sustainability of FLEGT results? What are the linkages, spin-offs or synergies of FLEGT action with wider multi-lateral processes, such as UNFF, international initiatives such as the US Lacey Act or the UN-REDD mechanism?*

- The EU FLEGT Action Plan is supported by a limited number of member states. Given the number of VPAs and countries wanting to embark upon VPAs there is not sufficient capacity and financial resources to cater for all these needs. In the Netherlands the 'Trade not Aid' thinking is very much in fashion and ODA budgets are shrinking. This is not only the case in the Netherlands. 'We cannot continue like this' as one interviewee puts it, 'we need to find ways for FLEGT to sustain itself without being too much dependent on donor money'.

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- Another issue that was brought up is that coherence with other consumer countries like the USA and Australia need to be sought for, since currently the USA is accepting the Indonesia SLVK, and the EU does not (yet). This is considered to be confusing for producing countries and may divert trade without solving the real issues.
- Solutions proposed for both these two issues are to create synergy with other consumer countries and see how they can work together with the EU on (harmonizing) import legislation and with producer countries on the reduction of illegal logging.
- The suggestion was made to use FLEGT also as a tool for other policy areas like biodiversity and climate change. Concerning the latter: the Norwegian government uses a concluded VPA as a basis for paying REDD+ money.
- As stated before: Forestry seems to be back on the political agenda, e.g. in the forthcoming World Economic Forum and the Climate Change Conference.

Key lessons drawn by evaluation team member: The EU FLEGT Action Plan is depending on a very limited number of MS countries and is therefore fragile. Despite the innovative design of the EU FLEGT Action Plan, it has turned into a rather conventional development programme from the perspective of funding mechanisms. Additional funding mechanisms need to be developed. Besides, synergy with other consumer countries needs to be sought to explore how they can work together with the EU on (harmonizing) import legislation and with producer countries on the reduction of illegal logging.

On EQ10 Coherence and added value *How have coherence and complementarity for FLEGT been pursued, to what extent have FLEGT measures complemented, duplicated or contradicted other EC, MS and other donor policies, strategies and programmes, and how have interferences been handled? To what extent does the EU action under the FLEGT AP add value to what would have resulted from Member States' interventions in the same context?*

- The EU FLEGT Action Plan has not contradicted policies and measures in the Netherlands but has followed (or reinforced) rather than led Dutch policies with regard to global forestry challenges. In the Netherlands the larger share of the timber sector is focussing on timber from sustainably managed forests and has moved beyond legality per se. The EU FLEGT Action Plan, and especially the EUTR, is putting a (needed) minimum bottom in the market (for some of the blockers in the market), while many stakeholders have moved towards higher levels.
- Nevertheless, the Dutch PPP does not accept FLEGT licensed timber.

Key lessons drawn by evaluation team member: The EU FLEGT Action Plan has not contradicted policies and measures in the Netherlands except for not accepting FLEGT licensed timber in the PPP, and has followed (or reinforced) rather than led Dutch policies with regard to global forestry challenges.

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Main Conclusions and Recommendations

Conclusion 1: As one of the more active MS, it seems that stakeholders, especially the NGOs, part of the private sector and the government, focus on timber from sustainably managed forests and not on legal timber per se: The Public Procurement Policy is focussing on timber coming from sustainably managed sources; a large share of the private sector is focussing on timber coming from sustainably managed sources; NGOs see legality as a first step towards the final goal of sustainable forest management. With the EUTR a minimum requirement for 'legality' of timber has been set, while the rest of the stakeholders have moved on towards SFM. The EU FLEGT Action Plan focuses on legal timber as one of its direct objectives, and SFM as a higher objective.

Conclusion 2: the EU FLEGT Action Plan, and especially the support to producing countries, is depending on a very limited number of north-western European MS and is therefore fragile. Despite the innovative design of the EU FLEGT Action Plan, it has turned into a rather conventional development programme from the perspective of funding mechanisms.

Recommendation 2: In order to enhance effectiveness and efficiency, additional funding mechanisms - other than conventional ODA - need to be developed. One of the steps towards alternative funding mechanisms could be to work with the private sector (timber traders, banks and investors, tax specialists) and explore with them new business models and finance mechanisms to ensure FLEGT benefits from trade mechanisms indeed.

Furthermore, synergy with other consuming countries need to be sought to explore how they can work together with the EU on (harmonizing) import legislation and with producing countries on the reduction of illegal logging. The EU does not have to cover all the work in producing countries but could involve other consumer countries as well and make a division of labour.

It is also recommended to work together with those producing and processing countries that matter most in terms of illegal logging and trade (Indonesia, China, Russia, and other, see chart 2), and prioritise those countries instead of VPA countries exporting limited volumes of timber.

Conclusion 3: Quite a number of Action Areas have been left unaddressed (AA4, AA5, AA6 and AA7) and as such the implementation of the EU FLEGT Action Plan in the Netherlands does not show a very balanced picture. The private sector in the Netherlands (timber sector) has, so far, been consulted on demand-side measures, but hardly any effort has been made to work with the NL timber sector on supply-side measures (in producing countries). This is a missed opportunity.

Recommendation 3: The private sector (timber sector) still has the potential of helping the EU FLEGT Action Plan move forwards. The timber sector (NTTA and the ETTF) has already indicated they are willing to take up a more significant role in VPA and other producing countries.

Conclusion & recommendation 4: In general, the Dutch stakeholders support the EUTR, but quite a number of challenges need to be solved, ranging from design weaknesses, perceived weak implementation within the Netherlands by some of the NGOs, lack of harmonisation between the implementation in various EU countries, and the limited product scope of the EUTR.

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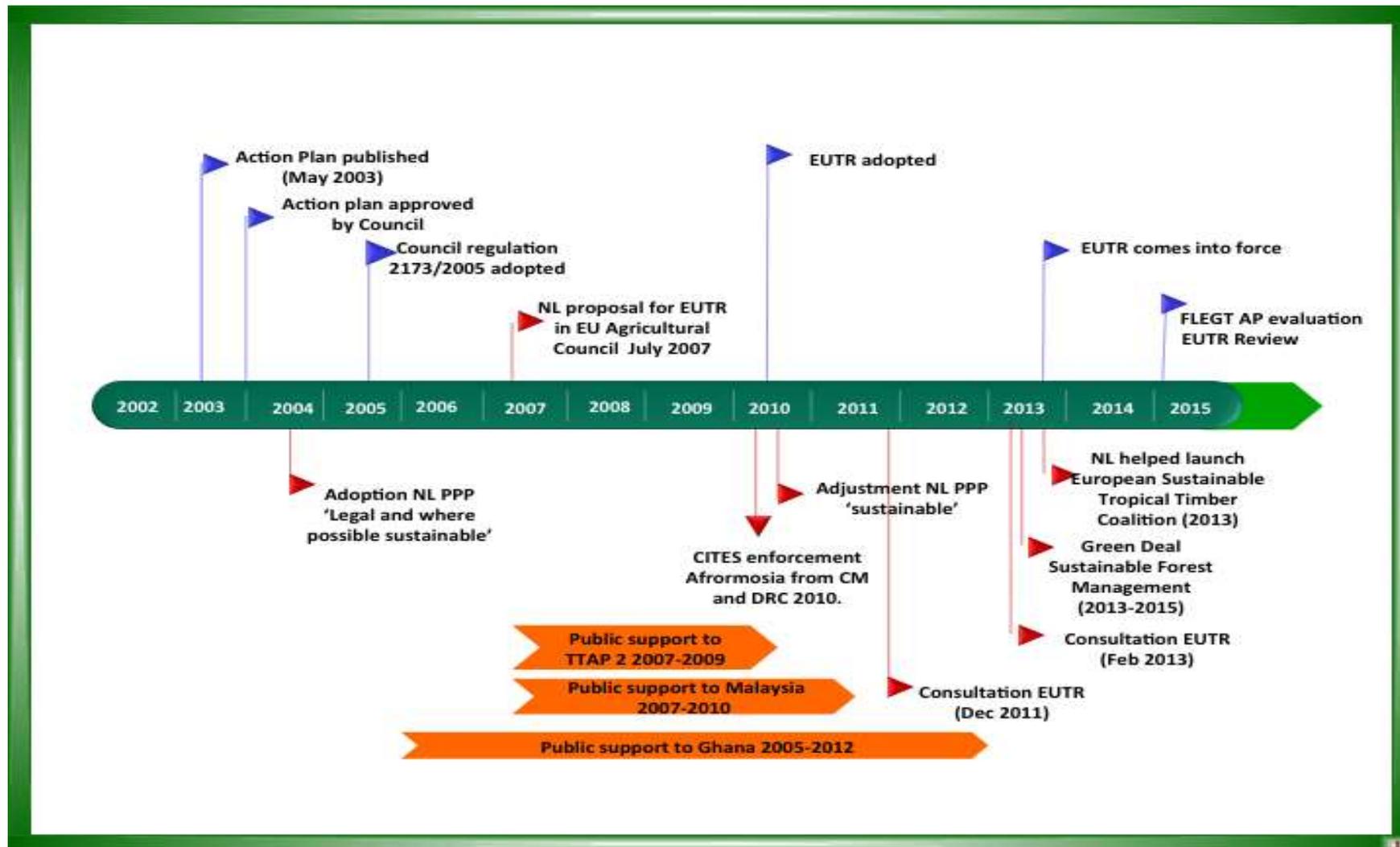
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	Forest Stewardship Council	2015	FSC [®] and FLEGT, working hand in hand
	Forest Stewardship Council	2015	Two years of the EU Timber Regulation- FSC's evaluation and proposals for improvement
	Greenpeace	2015	Twee jaar Europese Houtverordening: geen reden tot een feestje (Two years of EUTR: no reasons to party).
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Annex 2 FLEGT Timeline The Netherlands



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Situation of the country with regard to Forest Law Enforcement, Governance and Trade (“FLEGT”) action

The UK is a leading contributor to the FLEGT Action Plan, particularly bilaterally, and was instrumental in its conception.

Key Findings

On EQ1 (relevance):

The UK has contributed to the FLEGT Action Plan in a number of ways, including to its design and implementation. It has done so through political engagement, secondment of experts and the input of experts to regulations and oversight. The FLEGT Action Plan frames UK investment in supporting work on forest governance reforms in many countries. Much of that support is delivered through the UK’s Forest Governance Markets and Climate programme (“FGMC”), which commenced in 2011 and is scheduled to last for ten years.³⁴ The FGMC programme is a component of the UK’s International Climate Fund. The FGMC’s budget for 2011-2015 was UK£79 million. Its budget for 2015-2018 is UK£84 million³⁵. Some financial support from the FGMC’s budget has been provided to some entities for delivery of the FLEGT Action Plan.

Forests, particularly in tropical countries, have been a focus of the UK’s overseas development efforts for several decades. During the 1990s, this evolved partly in response to advocacy by UK civil society. Initially, this primarily concerned illegal logging and related trade³⁶. It culminated in a commitment to exclude illegal wood-based products from procurement for central government. The UK was a leading contributor to the G8’s “Action Programme on Forests” and continues to contribute to the G8’s deliberations on forests.³⁷

UK stakeholders consider that a combination of factors contributed to the conception of the FLEGT Action Plan. These include a high profile Memorandum of Understanding between the UK and Indonesia in 2002, the abandonment of Indonesia as a source of supply by some major EU-based timber traders in response to poor governance, skilled advocacy from civil society, research institutions and government particularly from the UK, and crucially, the vision and leadership of key people within the EC. Outside the EU, the UK’s initial focus has been on countries which supply most of the EU’s direct imports of tropical timber, and the market failures which enable poor governance to persist.

Within the EU, the UK has established a public procurement policy for wood-based products (and has worked closely with other EU member states in doing so), and has contributed to the development of the EUTR and FLEGT Regulation. The UK’s focus on governance has been supported consistently, irrespective of the party in power, and the FLEGT Action Plan has helped frame UK development programmes (particularly in the broadly-defined forest sector).

On EQ2 (design):

Stakeholders in the UK have contributed towards the design of the FLEGT Action Plan in several ways – and particularly to its conception and subsequent evolution – including through policy, finance, analysis and the provision of experts. They emphasise the need for (and the success of) multi-stakeholder engagement (jointly motivated by a desire to address illegal logging, albeit from different

³⁴ Details of the FGMC’s business case, the revised logical framework, contracts funded, spending by sector, annual reviews, and other documentation is freely available. <http://devtracker.dfid.gov.uk/projects/GB-1-201724/documents/>

³⁵ http://iati.dfid.gov.uk/iati_documents/4722820.odt

³⁶ “Made in Vietnam, Cut in Cambodia” Global Witness (04 1999) “High Stakes: The need to control transnational logging companies: a Malaysian case study” World Rainforest Movement and Forests Monitor (08 1998)

³⁷ Page 8 “Sustainable Forest Management - The International Framework” Forestry Commission (10 2002)

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perspectives), transparency, and capacity building (particularly of institutions, civil society and local communities). They recognise the value which can be - and has been - achieved by linking governance and trade, including as partnerships between producer countries' businesses and governments and their counterparts in the EU.

It is said that, in order to help optimise design and implementation of the FLEGT Action Plan in VPA countries, the provision of evidence and analysis (taking into account VPA countries' preferences) are routine for many who help deliver that Action Plan. Where appropriate, the initial focus in VPA countries is to highlight the link between governance and trade, including by joint efforts between producers and export markets (if those efforts promote good governance and are equitable). This is facilitated by efforts in the EU market (such as procurement policy including in the private sector, building standards, and a shift towards the sort of business practice which the EUTR promotes)

Stakeholders – primarily in VPA countries - advocated for all export destinations to be within the scope of VPAs. If the focus of VPAs were confined to the EU or if VPAs were phased, then the VPA could be perceived as shallow and the EU might lose leverage. That loss of leverage would occur if the most influential supplying companies in VPA countries are the first to qualify for FLEGT-licenses. In addition, this would put smaller enterprises at a competitive disadvantage if they seek to export to the EU).

Multi-stakeholder engagement and institutional support has been a particular focus of the UK's contribution. This is reflected in the range of civil society organisations ("CSOs") which have received UK government grants – from those who support forest peoples' rights and livelihoods (including those who do so through local CSOs), and the building of capacity for the work of independent forest monitors, to helping establish a suitable legal framework. Reflecting their particular expertise and leverage, a number of entities in the USA have received grants from the UK for work which contributes to the objectives of the FLEGT Action Plan. The UK's focus reflects recognition that - particularly if there is a shared agenda - a strengthened civil society can support government not only in fragile states but also where government is weak (or inequitable). This local engagement is likely to be sustainable and low cost - particularly if relevant communities are trained as independent forest monitors). As international treaties, VPAs help support civil society and government locally address problems which might otherwise be too sensitive – as in Ghana and Liberia where permits for private use of forest were being misused.

The UK government has also focused on research on topics relevant to the FLEGT Action Plan, including by Universities in the Denmark, France, the USA and the UK and by other research organisations, notably Chatham House, CIFOR, IIED, ODI and Tropenbos, and civil society / NGOs. The impact of that research on the FLEGT Action Plan (and the extent to which it is accepted by the EC) is unclear, but will have added to the robustness of that Action Plan. In addition, periodic formal meetings between the UK government and its grantees – as well as on other occasions – give the government the opportunity to discuss (and perhaps subsequently refine) its interventions and strategy.

The UK government is conscious that VPAs are perceived by some stakeholders as more likely to benefit large companies / groups than the smaller (weaker) enterprises which tend to account for most of the industrial roundwood which is produced and milled for end-use in VPA countries. However, under the circumstances for which they have been designed, the legality definitions and legality assurance systems of VPAs are intended to benefit those smaller enterprises.

On EQ3 (effectiveness - cover Action Areas as applicable):

AA1 (support to producer countries)

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The UK is currently the lead Member State in Ghana, Guyana, Indonesia and Liberia. Concerning Guyana, Ghana, and Indonesia, this follows major support programmes to the forest sector before the FLEGT Action Plan was conceived. Its lead in Liberia reflects the UK's willingness to help establish institutional structures capable of ensuring good governance of what remains of Liberia's forest after years of civil war. The UK's support covers all other countries which are negotiating or have negotiated VPAs, as well as elsewhere. It also provides assistance through other bilateral donors, notably *Agence Française de Développement* (in Republic of Congo).

A substantial component of the UK's funding support for the FLEGT Action Plan in producer countries is allocated indirectly, through the EC Budget, EU FLEGT Facility, and to the EU FAO FLEGT Programme.

The links between trade and development priorities which the FLEGT Action Plan fosters have been prominent in Ghana and particularly Indonesia.

A wide range of stakeholders accepts that the impact of the FLEGT Action Plan has been very favourable (especially given what is likely to have happened without it). They also recognise that challenges remain.

In VPA countries, the scope of governance commitments referred to the VPA (or its annexes) and implied in VPA legality assurance systems have been welcomed, particularly by civil society and also those parts of the private sector which are engaged. Those commitments include clarity in the law, transparency, and independent oversight.

Although enterprises which import or export from VPA countries would be more comfortable if their supplies were FLEGT-licensed, they will presumably have either already taken sufficient steps to respect the EUTR or they accept the risk of not doing so.

There is some concern that attempts to establish wood tracking and legality assurance systems might have proceeded either prior to reforms in VPA countries' regulatory frameworks or before there is sufficient support from within the VPA countries concerned (as in Cameroon). There is similar concern that those legality assurance systems have not considered whether logging enterprises will be able to comply. The independent auditor in Cameroon reports that no concessionaire is likely to be able to satisfy all the criteria for legality assurance. In Liberia, none of the major concessions has been found to be fully compliant with the law. There is also concern that not setting minimum thresholds for FLEGT-licensing might expose the EC to criticism – for example concerning Indonesia, whose legality assurance system does not assess the legality of processes leading to the allocation of concessions and/or the clearance of forest for plantations; A number of UK-based stakeholders have sent the evaluation team formal but unsolicited inputs concerning the extent to which international conventions (signed by the EC or EU member states), customary rights, transparency and other matters are respected in VPAs.

Increasing advocacy for a "Deforestation Action Plan", reports which demonstrate the scale and probable illegality of deforestation, and of course climate change, raise questions about what the FLEGT Action Plan (and VPAs in particular) can and should be seeking to achieve in this context. There is concern that prospects for REDD+ are particularly unfavourable in VPA countries if the negotiation or implementation of the VPA has stalled. The UK is actively seeking to address the drivers of deforestation, building on the potential of the FLEGT Action Plan.

Stakeholders consider that, with some exceptions (notably in Indonesia prior to the VPA) law enforcement (and customs fraud) has tended to receive little systematic attention under the FLEGT Action Plan. In VPA countries, this reflects the priority given to legality assurance systems - which

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seek to minimise the market incentive to supply illegal wood-based products. A number of successful prosecutions for relevant offences have been made (albeit primarily against officials) since VPA negotiations commenced, some of the highest profile cases being in Indonesia. Progress made under the FLEGT Action Plan will have contributed to increased local determination to cancel several private use permits concerning forest in Liberia and Ghana (and to convict those involved).

The UK's funding of capacity building for civil society in partner countries (not only VPA countries) considerably exceeds that of the EC or other EU Member States.

Recognising that China is the leading destination for many countries' exports of illegal wood-based raw material (and implicitly therefore that China is probably a leading exporter of illegal wood-based products), the UK is seeking to increase its engagement with China. UK stakeholders recognise that the EU's counterpart under the Bilateral Co-ordination Mechanism may have less leverage over the trade than other parts of government. Some also consider that signs of progress may be superficial. Some note that the supply of plywood from China to the EU has consolidated (around fewer suppliers) and attribute this to the EUTR and work by the EU's private sector (including under the Timber Trade Action Plan - to which the UK provided financial support).

AA2 (*trade in timber*)

Almost all woodland in the UK is certified as being sustainably managed. Imports account for most of the roundwood equivalent ("RWE") volume of wood-based products which enter end-use in the UK. The RWE volume being imported is increasing. Pellets, destined primarily to be burned in one power station, account for most of that increase (most of which derives from private landowners in south eastern USA). Ireland is the destination for most of the RWE volume which is exported from the UK.

Much of the paper which is being imported into the UK is supplied with FSC or PEFC chain of custody, as is a large and increasing percentage of the RWE volume of timber which the leading timber trade association's members procure. Although most of the latter derives from coniferous tree species, much of the timber from non-coniferous species is also certified.

During the middle years of last decade the UK's imports from China increased rapidly. Judging by trade statistics, China has gained market share from suppliers elsewhere notably Brazil and Canada. It is said that concern about the legality of wooden furniture supplied from China has led to increased investment in wooden furniture factories in some parts of the EU – albeit not by UK investors or for the UK market.

Under the UK's contribution to the FLEGT Action Plan, estimates have been made of the RWE volume of "illegal" wood-based products being imported into the UK (and elsewhere).³⁸ These suggest that China is the UK's leading source of this supply, both in total and for most product groups. The estimates assume that, for most supply chains, the trend in percentage of "illegality" has been strongly downwards. This reflects the response to procurement policies in the public and private sectors (which have helped pull through an expansion in certified supplies). The most recent annual report of purchases by members of the UK's Timber Trade Federation tends to confirm this downwards trend.[TTF 2013] The decline in market size since the peak of last decade's economic bubble has also contributed to the decrease in "illegal" RWE volume being imported into the UK. Legacy issues contribute to the apparent lack of progress concerning paper from both Indonesia and (given the corporate links) China. Agreement on how these are to be addressed should be taken explicitly into account in decisions concerning FLEGT-licensing (not only in Indonesia).

³⁸ <http://www.illegal-logging.info/content/trade-illegal-timber-response-uk>

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Extending the assessment to all EU Member States indicates that the UK is the leading destination for the EU's "illegal" imports of some groups of wood-based products from some countries. Concerns for subsidiarity are tending to over-ride the potential synergy between the EC's Regulation 995/2010 ("EUTR") and the FLEGT Action Plan (especially VPAs). However, through its FGMC programme, the UK is supporting dialogue between Competent Authorities across the EU and also with their counterparts in the USA (and elsewhere) – at least two joint workshops of the Timber Regulation Enforcement Exchange have taken place so far this year. Stakeholders mention that this dialogue is particularly welcomed by those involved and that much progress has been achieved

AA3 (public procurement policy)

During 1997, the UK government announced its intention to establish a public policy concerning the procurement of wood-based products ("PPP") albeit only for parts of central government - this commenced in 2000.³⁹ That PPP has gradually tightened. It currently requires wood-based products to be independently verifiable as deriving from legal and sustainable sources, including FLEGT licenses.⁴⁰ This, and advocacy from civil society, has contributed to FSC-certified products or equivalent being preferred for building and furnishing other than for that PPP.

Partly as an incentive for VPA countries, the UK government has decided that it will accept FLEGT-licensed products under its PPP, irrespective of how comprehensive a VPA's legality definition is. Stakeholders recognise the probability that this might give a competitive advantage to, for example, paper made at least partly of pulpwood from Indonesia.

Although there are no overall statistics for the total quantity of the product groups being procured, or how comprehensively the policy is being applied, the indirect evidence suggests that the policy is successful. Similar policies have been adopted in other parts of the public sector, particularly local government. The scale of public procurement coupled with government policy concerning the sustainability of building materials has led suppliers and contractors to procure credibly certified products (if feasible) as a matter of corporate policy regardless of client. They have done so partly in order to minimise cost but also to enhance their reputation. It has also helped wood compete as a building material against products having a less sustainable greenhouse gas footprint.

Some parts of the UK's central government are now also subject to policy requiring procurement of palm oil only if it is certified to at least the RSPO standard.

AA4 (private sector initiatives)

The phased introduction of the UK's PPP has been broadly welcomed by the UK's private sector. It has encouraged the latter to focus wherever feasible on products which are certified as both legal and deriving primarily from sustainably managed forest. This will have considerably increased the size of the market for certified products, including tropical timber. Since the start of the PPP, the UK government has procured the services of a Central Point for Expertise in Timber in order to provide the public sector and private sector with advice about that policy and the eligibility of certification schemes or other evidence of legality and sustainability. This work has been extended in order to promote similar schemes in other EU Member States, and has since evolved into provision of guidance concerning procurement of palm oil and wood fuel.

³⁹ Page 3 "EU member state initiatives for sourcing legal and sustainable timber" D Brack and J Saunders for Chatham House (09 2004)

⁴⁰ <https://www.gov.uk/government/publications/2010-to-2015-government-policy-sustainable-development/2010-to-2015-government-policy-sustainable-development#appendix-1-timber-procurement-policy-tpo-for-public-sector-procurers-and-suppliers-of-timber>

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The UK supported the Timber Trade Action Plan, which helped the private sector identify and overcome gaps in their supply chains from countries whose exports of wood-based products had an allegedly significant probability of being illegal.

It has supported advocacy within the private sector, including secondment to the UK TTF, in the UK, across the EU and beyond, notably through the European Timber Trade Federation and more recently also the Global Timber Forum. The latter has been particularly active in East Asia, notably in highlighting a report by the UK's Competent Authority concerning plywood imports from China under the EUTR.

The timber and paper sectors in the UK have broadly welcomed the EUTR. Implementation of the EUTR in the UK is considered to be constructive and increasingly firm.

Although the share of certified products on the UK market has probably declined as a consequence of the EUTR – on the assumption that Operators exclude illegal products – the extent of that decline is unclear.

UK Operators' costs rose at least temporarily while preparing for the EUTR. However, those costs are generally perceived as reasonable given the context (which included market concerns about unsustainability and illegality, and the need to restore confidence). The structure of the UK timber sector has changed, but not much. Large merchants have increased their share of the UK's imports, smaller enterprises preferring to risk being obliged to pay a higher price by buying from Operators to minimise not only their risks but also their overhead costs. Economies of scale in procurement by large Operators would help explain why prices charged by Operators have not become prohibitive for Traders, and in many cases have not increased.

Operators in the UK point out that, because Operators in other EU Member States tend to demand a lesser level of due diligence than they do, this places them at a competitive disadvantage – other things being equal, suppliers give priority to Operators who place least demands on them. Enforcement of the EUTR is regarded as more demanding than enforcement of the EU's Construction Products Regulation ("CPR") – which tends to confirm the view that the EUTR is being taken seriously in the UK (and this might be beneficial for enforcement of the CPR). There is a general sense that printed paper, wooden seats and wooden musical instruments should be within the scope of the EUTR.

Some stakeholders note that their supply chains have tended to consolidate as a consequence of the EUTR.

AAS (*finance and investment safeguards*)

The UK is one of very few EU Member States actively seeking to engage with stakeholders concerning finance and investment safeguards, not only in the context of forests. The UK supports advocacy to a broad range of companies whose supply chains may have an impact on forests. The need to include regional banks and investors from eastern Asia in this advocacy is recognised. The focus of that advocacy is currently towards the downstream (consumer) end of the supply chain, where branding is particularly important. However, although many banks and investors have corporate policies concerning forests and plantations (including safeguards and references to certification schemes), there is little evidence that those companies are implementing them. Repeated exposés of the World Bank (over which the UK and others within the EU have some influence) and a major UK-based bank of failing to respect their own policies tend to suggest that pressure beyond that likely under

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the FLEGT Action Plan may be needed to ensure effective change. Future research and subsequent reports which highlight examples of investments which have incurred substantial financial (and reputational) loss as a consequence of failing to adopt sufficient safeguards and due diligence might prompt useful progress.

The UK government itself, perhaps indirectly, may be an investor - through the rehabilitation or construction of roads and bridges in forested localities. Its role as regulator of the financial sector of British Overseas Territories was recently tested (once a conviction had been secured for a predicate offence) in relation to a major money laundering case involving an associate company of one of Indonesia's two large paper sector groups.⁴¹

On EQ4 (implementation management and coordination):

Many UK stakeholders recognise that politically astute, iterative approaches - involving multi-stakeholder deliberation and an awareness of changing contexts - are needed to optimise delivery of the FLEGT Action Plan. However, as indicated under AA1 above, some stakeholders worry that the emphasis of the FLEGT Action Plan may have shifted too soon towards the technical components of VPAs, particularly their legality assurance systems, and that some of these may be impractical. They suggest that this may be partly due to the availability of technical expertise and a lack of political direction.

Stakeholders recognise the value which can be obtained by negotiating VPAs in a wide range of countries around the world, including where access to REDD+ funding depends on the country implementing a VPA. However, while recognising that a VPA might be the best option available, some question whether VPAs are ideal for some current VPA countries. Some stakeholders point out that "illegal logging" is not confined only to tropical countries which are eligible for development assistance from the EC.

Stakeholders stress that deliberation in VPA countries tends to be underpinned by analysis of the political economy of the forest sector, specifically concerning intractable and other outstanding problems. However, there is a lack of hard information about how each of those problems is to be addressed. Although this might be prudent in some instances, some stakeholders perceive that, to outsiders, this indicates a preference for *ad hoc* action (which might not be efficient and/or sustainable). This is not necessarily optimal now that the EUTR is in force, particularly for those seeking to comply with or enforce the EUTR – or to establish REDD+. Further, it gives the impression that strategy within the FLEGT Action Plan is not being shaped by the changing reality and needs in VPA countries and elsewhere, including beyond the forest sector.

⁴¹ <http://www.theguardian.com/world/2014/may/10/asian-logging-giant-tax-labyrinth-british-virgin-islands>

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Several stakeholders comment that the supply of wood-based products to China does not receive particular attention in most VPA countries, despite the nature, prominence and scale of those supplies chains (both in those VPA countries and elsewhere). Some stakeholders express interest in the suggestion that representatives from China’s diplomatic missions and/or the leading exporters to China are invited to observe or participate in multi-stakeholder fora.

A number of stakeholders mentioned that the low apparent priority given by the EC to communications other than publicity (driving the flow of strategically-salient information up, down, across and beyond the architecture of the FLEGT Action Plan) is surprising for an initiative as innovative and political as the FLEGT Action Plan.

In this context, UK stakeholders would welcome greater advocacy of the FLEGT Action Plan to other sectors – particularly agriculture.

A range of stakeholders, not only in the UK, express some disappointment concerning the outcome of reports commissioned under the FLEGT Action Plan – for example in response to the findings of Independent Observers or research concerning deforestation and the impact of VPAs on forest peoples and small enterprises.

There is a widespread perception that the FLEGT Action Plan has lacked strategic direction for some time (particularly under the current European Parliament). The European Court of Auditors’ evaluation of EC support to timber-producing countries under the FLEGT Action Plan⁴² tends to reinforce that perception. Nevertheless, the EC is said to report periodically to the European Parliament, the European Council (including through committees responsible for agriculture, development cooperation and trade).

Several stakeholders express particular concern about the accountability of the EU FLEGT Facility. Some suggest that there is an overemphasis on technical solutions rather than on simple frameworks and engagement with markets. Although the contribution of the EU FAO FLEGT program is valued, there is also a view that seeking to engage more generally with UN agencies and other multi-lateral entities might achieve little.

The UK’s contribution to the FLEGT Action Plan is led jointly by the UK government’s Department for International Development (“DFID”) and Department for Environment Food and Rural Affairs (“DEFRA”).

DEFRA manages the UK’s response to the EUTR and EC Regulation 2173/2005 (“the FLEGT Regulation”). Implementation of the EUTR is carried out by the National Measurement and Regulation Office (“NMRO”), the NMRO having submitted a successful tender for this work. A broad range of stakeholders was consulted on a number of occasions prior to the drafting of UK regulations to implement both the EUTR and the FLEGT Regulation. There were also a number of stakeholder meetings to discuss the EUTR well in advance of it coming into force. The NMRO has considerable flexibility concerning its strategy as the UK’s Competent Authority for the EUTR, and has begun to address supplies from China. The EUTR has been broadly welcomed across the UK.

DFID manages the UK’s FGMC programme. Those who have accountable grants or other forms of contract under that programme have close contact with DFID (and the EC) on both a formal and an *ad hoc* basis - reflecting the commitment of those involved and their belief in the potential of the FLEGT Action Plan.

⁴² http://www.eca.europa.eu/Lists/ECADocuments/SR15_13/SR_FLEGT_EN.pdf

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A report based on a set of facilitated consultations of UK stakeholders concerning topics relevant to the FLEGT Action Plan will form part of the UK government's contribution to support the EC's own review of that Action Plan. Those consultations have provided valued input to this Aide Memoire.

On EQ5, EQ6, EQ7 and EQ8 (achievement of objectives; other, emergent outcomes; contribution to higher objectives; efficiency):

UK stakeholders are complimentary about the achievements which have been made under the FLEGT Action Plan, particularly when considering what is likely to have happened in its absence.

Stakeholders appreciate that, although FLEGT-licensing has yet to commence, this is not a sign of weakness – particularly given that the scope of VPAs is much broader than the minimum envisaged in the EC's FLEGT Regulation. It is also unsurprising given the characteristics of each VPA country, the time it takes to negotiate trade agreements, and the difficulty other programmes and initiatives have had in reducing deeply embedded corruption.

On EQ9 (sustainability):

Stakeholders recognise the contribution of multi-stakeholder engagement and capacity building to the sustainability of interventions which help improve the foundation for forest law enforcement governance and related trade. The open-ended nature of the FLEGT Action Plan and the long-term commitment of the UK government within it contribute to this. They also recognise that if the will to actively proceed with a VPA declines too much, the VPA can be sustained by putting it on hold.

The gains which have been made in the countries which have received support under the FLEGT Action Plan are to some extent threatened by factors external to the FLEGT Action Plan, such as pressure economic growth and to use forests for carbon offsets. However to achieve their nominal purpose, the latter in particular requires the sort of foundation which the FLEGT Action Plan sets out to develop.

Within the EU, gains deriving from public procurement policy and the EUTR are likely to be sustained.

On EQ10 (coherence and added value):

Stakeholders consider that, as an EU-wide initiative, the FLEGT Action Plan greatly adds to what would otherwise largely comprise bilateral actions by EU member states. In VPA countries, its coherence is reinforced by adopting a multi-stakeholder partnership approach. Although there is coherence between the EUTR, VPAs and the FLEGT Action Plan, the potential of the EUTR to add value to VPAs and the FLEGT Action Plan is being under-exploited (particularly in the context of indirect supplies through - for example – China). The FLEGT Action Plan is coherent with efforts to address the drivers of deforestation, but not yet very effective.

Stakeholders highlight the lack of coherence between VPAs – if they are based only on the VPA country's national legislation - and relevant international obligations and agreements to which the VPA country and/or the EC (or EU member states) have signed. Stakeholders also comment that, under the EUTR, there is a lack of coherence between the due diligence which Operators should carry out and what Competent Authorities consider they themselves should check (including in the context of fraudulent CITES certificates and fraudulent documents of origin).

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Main Conclusions and Recommendations

In the UK, Public Procurement Policy (for wood-based products) and the EUTR are well established. The flexibility and funding of the UK's long-term contribution has been central to the design, management and success of the FLEGT Action Plan. Recent major reviews of that contribution have been complimentary. UK stakeholders' view of the FLEGT Action Plan is generally very positive, particularly given the alternatives. However, there is some concern that, although progress is increasingly being made, the FLEGT Action Plan has not been effective in tackling either (illegal) deforestation - and the wood which derives from this - or the supply of (illegal) wood-based products too and from China. There is also a perception that the implementation of VPAs (and FLEGT-licensing) is the focus of the FLEGT Action Plan in "producer countries" – which tends to confirm that communications strategy is weak. There are worries that some VPA legality assurance systems are impractical. Stakeholders welcome the increasing recognition of small scale forest enterprises as stakeholders under the FLEGT Action Plan.

Recommendation 1:

Recalling the innovative intent of the FLEGT Action Plan, identify remaining obstacles (including markets in China), consider how to best address them, and do so accordingly (including through advocacy beyond the immediate architecture of the FLEGT Action Plan).

Recommendation 2:

Recalling the objectives of the FLEGT Action Plan, seek to refocus attention on achievements, with a view to adding value to other processes and in other sectors

Recommendation 3:

Recognising the reputational risk to which FLEGT-licensing exposes the EU, particularly in the context of legacy issues and the VPA in Indonesia, initiate dialogue to manage that risk and deliberate on how best partner countries can both credibly and officially "forgive" long standing, non-recurrent illegality (for example concerning land-use change and allocation of concessions).

Recommendation 4:

In order to help minimise investment risk, promote independent research into the direct and indirect costs which can be caused if investors do not carry out sufficient due diligence in the context of forest governance and supply chains which affect forests.

Mission Aide Memoire – Cameroon

May 2015

Situation du pays par rapport au Plan d'Action FLEGT

Le Cameroun est doté d'une richesse forestière importante, d'environ 20 millions d'hectares de forêt qui représente presque la moitié de son territoire national. La plupart de ces zones forestières (environ 14 millions d'hectares¹) ont été classées pour l'utilisation forestière à long terme pour des forêts de production ou la conservation. De plus, environ 1.4 millions d'hectares de forêt sont situés en dehors de ces zones protégées et sont destinés à la sylviculture communautaire. A l'heure actuelle, il existe 238 zones forestières communautaires.

Le secteur forestier est important pour l'économie nationale. Une étude du CIFOR (2013)², visant à proposer des pistes de réforme du secteur pour en accroître les retombées financières et économiques, estime que la contribution du secteur forêt-faune est de 4% du PIB du Cameroun (hors pétrole). Au-delà de sa valeur ajoutée, le secteur génère des bénéfices économiques (non-monétarisés) substantiels, en termes de biens autoconsommés par les ménages camerounais et de services publics globaux, dont la valeur est estimée autour de 150 milliards de F.CFA (un tiers de la valeur ajoutée). L'étude spécifie également que ce sont aujourd'hui les filières informelles qui produisent le plus de richesses à partir de l'usage des ressources forestières et fauniques, et il serait pour autant nécessaire de reconnaître davantage leur importance économique et stratégique dans le secteur et dans la loi forestière.

La filière bois comprend les sous-filières bois industriel (38% de la valeur), bois énergie (33%), les produits forestiers non-ligneux (14%) et le sciage artisanal (10%) comme filières principales. L'exploitation des forêts naturelles se fait sur une centaine d'Unités Forestières Aménagées, à travers des concessions forestières dont 5 millions d'hectares sont opérés sur la base d'un plan d'aménagement approuvé. En plus, il existe des Vente de Coupes (VC) étendues sur 250,000 ha environ (2013) et des forêts communales attribuées couvrant 800,000 ha environ.

La production annuelle officielle de bois est estimée à environ 2 millions de m³. Selon Chatham House³, la production totale de bois camerounais pourrait être le double, avec un volume du sciage artisanal comparable à celui de la production annuelle officielle. Le Cameroun est l'exportateur de bois durs tropicaux le plus important d'Afrique, et l'UE (notamment l'Italie et l'Espagne) a historiquement constitué le principal marché du Cameroun pour les bois sciés. Mais depuis 2007, selon la même source, le pourcentage d'exportation vers l'UE aurait chuté de 80 % environ à 40 % en 2012, avec un déclin plus marqué entre 2007 et 2009 du fait de la crise financière mondiale. Les entreprises forestières de grande ampleur sont en majorité européennes.

Le gouvernement du Cameroun et l'UE ont conclu les négociations de l'Accord de Partenariat Volontaire (APV- FLEGT) le 6 mai 2009. L'APV est entré en vigueur en décembre 2011 et vise à renforcer la gouvernance forestière, à promouvoir le bois du Cameroun et à améliorer la compétitivité du pays sur les marchés internationaux. En **annexe 3** nous présentons un timeline des événements les plus importants par rapport au processus FLEGT et APV au Cameroun.

En outre, l'APV vise à renforcer les capacités des parties prenantes camerounaises impliquées dans les questions forestières et encourager les investissements visant à une gestion durable des forêts. L'APV fournit le cadre nécessaire en termes de législation, de systèmes, de contrôles et de procédures de vérification pour s'assurer que toutes les importations de bois depuis le Cameroun vers l'UE ont acquies, produites, transportées et exportées de façon légale. Le bois en transit devrait être capté par un système de traçabilité qui assurerait que ce bois ne se mélange pas avec les sources camerounaises. La conformité légale du bois serait démontrée par le biais d'une autorisation

¹ Rapport Annuel Conjoint de mise en œuvre de l'APV FLEGT, 2012

² Etude de l'importance économique et sociale du secteur forestier et faunique dans les Etats d'Afrique Centrale- cas du Cameroun (Eba'a R, Lescuyer G et Ngouhouo Poufoun J), 2015

³ Illegal Logging and Related Trade; the Response in Cameroon. A Chatham House Assessment, January 2015

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FLEGT. Le gouvernement du Cameroun et l'UE considèrent cet APV comme un outil important pour lutter contre l'exploitation illégale des forêts et promouvoir l'objectif à long terme de la gestion durable des forêts. Le système d'autorisations FLEGT visait à délivrer ses premières autorisations FLEGT en 2012.

Durant la mission, l'équipe d'évaluation a rencontré une sélection de porteurs d'intérêt représentant des principaux acteurs de l'APV FLEGT dans le gouvernement, le secteur privé et la société civile, voir **annexes 1 et 2**. Cet Aide-Mémoire reflète les constats, perceptions et soucis des différents groupes par rapport au Plan d'Action FLEGT. Les thématiques d'intérêt spécifique pour la mission d'évaluation au Cameroun étaient la participation du secteur privé, la gouvernance forestière, le niveau d'exploitation (il-) légale, la conversion des forêts, et les forêts communautaires.

Constats principaux

Pertinence :

EQ1. Quels sont les objectifs et les buts ultimes du Plan d'Action FLEGT, comment ont-ils été déterminés, et quelle pertinence avaient-ils, en 2003, pour répondre aux attentes des différentes parties ainsi qu'aux priorités et besoins de l'UE, des Etats membres et des pays producteurs? Comment la pertinence des objectifs du Plan d'Action FLEGT a-t-elle été affectée par les développements externes depuis 2003, et comment est-elle susceptible d'être affecté à l'avenir?

- Les thématiques du Plan d'Action FLEGT et l'APV-FLEGT ont clairement répondu aux développements et aux stratégies du secteur forestier au Cameroun en vigueur, dans le temps. Le Système Informatique de Gestion de l'Information Forestière (SIGIF) du MINFOF (MINEF à l'époque), par exemple, est une banque de données comprenant, entre autres, les volumes et nombres de tiges par essence qu'un exploitant est annuellement autorisé à extraire d'un titre d'exploitation. Il constitue ainsi un instrument puissant de contrôle de l'exploitation forestière qui sert à identifier des cas d'exploitation illégale des forêts camerounaises. Déjà en 2002/03, l'Observateur Indépendant avait élaboré son premier rapport, depuis le début de son mandat, sur les volumes et essences exploités au cours des années 2002-2003. Certaines actions de l'APV FLEGT ont ainsi pu se greffer sur des expériences en cours.
- Au fil des cinq années passées, on constate une accélération des prospections minières et de développements agro-industriels (extension, déclassement) dans le domaine permanent forestier, dont parfois les autorités forestières ne semblent pas être pleinement au courant. L'attribution de plusieurs Ventes de Coupe dans les zones de projets de développement en l'absence d'une procédure préalable a été documentée par de nombreux acteurs. La conversion de forêts et la récupération de bois associée s'imposent ainsi comme une thématique incontournable pour le secteur forestier, du fait qu'elle génère de très importants flux de bois. Elle impacte aussi directement sur l'un des principaux objectifs du FLEGT – à savoir de contribuer à la gestion durable des forêts. Dans la vision de certains groupes d'acteurs consultés, la non-prise en compte de cette problématique réduirait la crédibilité de l'approche FLEGT. Dans ce contexte, une meilleure coordination interministérielle dans la mise en œuvre de l'APV FLEGT semble également nécessaire.
- L'APV-FLEGT semble offrir une porte d'entrée pour travailler sur la conversion. Suite à l'identification par la société civile, d'un écart entre l'attribution des ventes de coupes dans les zones de projets de développement par le MINFOF et la grille de légalité sur les autorisations de récupération de bois, en avril 2014 le CCS (Comité Conjoint de Suivi de la mise en œuvre de l'APV) a mis en place un groupe de travail multi-acteurs. Son mandat incluait l'analyse des rapports publiés sur « la problématique du bois de récupération issu des projets de développement dans le contexte de l'APV » et la proposition des éléments de réponse. Le Groupe de Travail recommande, entre autres, que le MINFOF mette en place une procédure d'attribution des ventes de coupe dans les zones de projets de développement. La

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problématique du bois de récupération a ainsi mené, dans le cadre de l'APV-FLEGT, à l'engagement du MINFOF de clarifier les règles concernant les procédures de Vente aux Enchères Publiques et d'attribution des petits titres (information non-officielle).

- Il a été soulevé le fait que l'aspect commerce du bois (le T du FLEGT) est pris en compte à travers des programmes techniques qui peuvent être (et qui sont) contournés tant que les problèmes de corruption existent. Le G du FLEGT nécessiterait une volonté politique qui doit être adressée au niveau supérieur (à celui du secteur forestier) et qui doit aborder les aspects de corruption qui ne seraient pas, actuellement, suffisamment pris en compte dans le FLEGT. Vouloir lutter contre l'exploitation illégale sans le prérequis de la lutte contre la corruption semblerait illusoire et ne permettrait pas de répondre aux objectifs de l'APV FLEGT. Autrement dit, malgré les actions liées à la transparence et à la clarification du cadre légal, qui améliorent la gouvernance, la capacité de l'APV à réduire la corruption a ses limites.

Conception :

EQ2. Dans quelle mesure la stratégie globale du FLEGT, les domaines d'actions et les actions connexes ainsi que les instruments politiques sont-ils adaptés pour atteindre les objectifs du Plan d'Action FLEGT? Y a-t-il des manquements importants? À la lumière des développements externes depuis 2003 et des tendances actuelles, sont-ils toujours d'actualité et sont-ils susceptibles d'être appropriés à l'avenir?

- Des études diagnostiques préalables et des états devraient permettre de documenter le contexte politique et institutionnel au début des actions; elles n'ont pas été menées. Un suivi des impacts a été lancé qui permettra de documenter un niveau initial. De même, un travail cartographique de suivi de la déforestation a été initié dans le cadre du programme REDD+.
- L'APV a sans doute manqué de direction et de jalons (milestones). Ce besoin de proposer un cadre ou un phasage de la mise en œuvre du processus pourrait permettre de s'assurer de l'avancement du pays dans le cadre de l'APV. L'APV prévoit néanmoins l'émission de certificats de légalité qui démontrent l'engagement des acteurs du secteur forestier par rapport à la légalité. Ces certificats ne sont qu'une étape vers la licence FLEGT mais indiquent les progrès de certains opérateurs. Il s'agit d'une forme de reconnaissance de ces efforts.
- Le lien entre RBUE et APV doit être plus fort, de l'avis de la plupart des personnes rencontrées. Même si dans le RBUE, un avantage clair est donné aux pays émettant les licences FLEGT, on perçoit qu'un pays engagé dans un APV - tel le Cameroun - est mis sur le même plan qu'un pays non-APV, durant toute la phase de développement du système, alors qu'il a fait des investissements significatifs. Au Cameroun cet engagement a pris de multiples formes en particulier en termes de participation des acteurs, de développement du TLAS, de prise en compte du marché domestique... Même si ces différents points n'ont pas encore permis d'aboutir à l'émission d'une licence FLEGT, la plupart des acteurs camerounais estiment que des avancées ont été faites et qu'il y a une certaine injustice que le pays soit placé sur le même niveau que des pays qui ne se sont pas engagés dans un APV et dont les exportateurs ne sont soumis qu'au RBUE, moins exigeant. L'avantage comparatif n'est donc pas encore observé, mais dès que le Cameroun sera en mesure de délivrer les licences FLEGT, cet avantage devrait se concrétiser par une facilitation d'entrée du bois camerounais en Europe.

Efficacité :

EQ3. Dans quelle mesure les interventions et les mesures politiques mises en œuvre dans les sept domaines d'action ont-ils conduit aux résultats escomptés (réalisations et résultats)? Quels sont les

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mécanismes, les acteurs et les facteurs qui ont influencé le niveau de réalisation, et comment l'efficacité des domaines d'action pourrait-elle être améliorée?

Les questions s'appliquent aux domaines d'action suivants ainsi qu'à leurs interactions :

1. **Appui aux pays producteurs de bois**

- Au Cameroun, l'**Observation Indépendante** (OI) dans le secteur forestier est bien connue. Déjà en mai 2001, Global Witness avait été invité à assumer un rôle d'observateur pour le Ministère de l'Environnement et des Forêts (MINEF). Au départ, Global Witness devait travailler parallèlement à deux autres formes de suivi : un cabinet local de conseil juridique et d'audit chargé de surveiller l'attribution de concessions en tant qu'Observateur Indépendant des enchères publiques, et une ONG internationale spécialisée dans la télédétection et chargée de numériser les cartes du MINEF et de fournir des informations sur le changement du couvert forestier, y compris toute activité forestière suspecte.
- Il n'y a pas aujourd'hui d'OI FLEGT formel, le contrat OI AGRECO-CEW ayant pris fin en décembre 2013. Actuellement, le SNOIE (Système National d'OI Externe) mis en place par les ONG est encore en cours, mais ce système ne semble pas accepté and reconnu par tous les acteurs. Les missions conjointes de l'OI-FLEGT entre la Brigade National de Contrôle (BNC), les Organisations de la Société Civile (OSC), et les communautés ont été perçues comme l'un des plus importants changements grâce au FLEGT, qui est venue renforcer le concept et le rôle de l'OI. L'OI formel a aussi joué un rôle important dans le renforcement des capacités des services de contrôle du MINFOF avec notamment la publication et diffusion d'un Guide à l'usage du contrôleur. En même temps, le manque de partage des résultats des missions (les recommandations, et leur application ou non) fait que l'OI-FLEGT n'a sans doute pas encore pleinement joué son rôle.
- Toutes ces initiatives n'ont cependant pas abouti à une structuration claire d'une observation indépendante fonctionnelle sur l'ensemble du territoire forestier du pays. Il y a sans aucun doute des efforts à faire pour diffuser les différents acquis auprès de tous les acteurs de terrain qui pourraient y être impliqués en particulier les communautés locales.
- Le manque d'avancée significative dans le processus d'élaboration d'un système de traçabilité du bois est vu comme l'un des problèmes majeurs concernant l'APV FLEGT. Il existe une grande frustration, en grand partie liée à l'échec passé de la mise en œuvre du Système de Traçabilité du Bois au Cameroun, considéré comme trop complexe et ne prenant pas en compte la réalité du terrain (la capacité des PME, l'existence de système interne des sociétés forestières, et autres). Du fait de ces retards il y a beaucoup d'interrogation sur la possibilité même d'émettre des autorisations FLEGT. Un nouveau SIGIF est néanmoins en cours de développement.
- De nombreux efforts vont dans le sens de la **Transparence** (site internet, projet de diffusion, Observation Indépendante). La transparence des informations rendues publiques, introduite pour la première fois dans l'APV-FLEGT Cameroun-UE, est considérée une avancée significative. Dans ce cadre, il est intéressant de noter que le site de l'APV géré par le MINFOF attire environ 5,000 visiteurs par mois. Pourtant, atteindre les populations sur le terrain reste un défi. Il y a un manque de diffusion d'information à ce niveau, tant auprès des populations que de l'administration décentralisée. Ainsi 83% de l'information serait disponible mais seulement 50% serait accessible et 28% vraiment publiée (FODER, 2015 - Evaluation De La Mise En Œuvre De La Transparence Dans Le Secteur Forestier Au Cameroun).
- Egalement, le processus de réforme de la loi forestière, malgré une bonne participation initiale des parties prenantes, est devenu moins transparent ; Les parties prenantes camerounaises ne savent plus ce qu'il en est du texte qui sera proposé. L'administration estime pour sa part qu'il

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s'agit plus de lenteur administrative que d'une volonté délibérée d'opacité. L'Administration estime aussi qu'il est nécessaire d'attendre la finalisation des autres processus, notamment de révision de la loi foncière et du code minier.

- L'intégration du **secteur artisanal/marché intérieur du bois/marché domestique** dans l'APV/FLEGT, pour éviter une légalité forestière à deux vitesses ou l'exclusion, est une énorme tâche. Pour le moment, le marché domestique n'est pas bien encadré, ce qui engendre et constitue une concurrence déloyale à pour ceux les opérateurs qui font des efforts pour répondre à la légalité, malgré la mise en place de l'initiative Marché Intérieur du Bois qui vise à régulariser ce secteur avec la création récente d'une Interprofession forêts-bois, la volonté de mieux capturer les revenus issus de l'exploitation forestière, la mise en place de "clusters" forêt-bois et l'ébauche d'une politique nationale d'achat de bois (40% des achats de l'Etat devraient provenir du Cameroun). En même temps, la fiscalité formelle et informelle des PME/PMI n'est pas incitative pour approvisionner le marché domestique. Selon la plupart des personnes ressources, ce secteur largement à caractère informel devrait être intégré mais cette intégration devrait être progressive, différenciée du secteur industriel et adaptée aux réalités et aux capacités du secteur. Les PME/PMI manquent de moyens pour investir dans le processus de formalisation et devraient être accompagnées davantage. Cette problématique complexe mériterait une action indépendante.

2. Commerce du bois, RBUE

- En attendant l'opérationnalité d'un système d'autorisation FLEGT, l'émission de certificats de légalité (voir EQ2) pourrait permettre un phasage de l'APV et montrer aux importateurs européens que leurs fournisseurs camerounais répondent aux exigences légales du pays. Des interrogations subsistent néanmoins concernant le fait que l'émission de ces certificats de légalité pourrait être considérée comme un élément majeur permettant aux exportateurs de répondre au RBUE. Cela pourrait de fait ralentir le processus d'émission des autorisations FLEGT à terme. Cependant l'administration et les bailleurs ont assuré que ce n'est pas le but de ce certificat de légalité, qui ne doit être considéré que comme un élément pour l'obtention des licences.
- Le RBUE, pour les exportateurs, reste un processus assez vague car – selon les producteurs camerounais – 'chaque importateur présente des exigences différentes'. Cette situation est rendue davantage compliquée par le manque de clarté sur le cadre législatif camerounais. De plus, la mise en œuvre différenciée du RBUE en Europe fait que la composante T du FLEGT est – selon les sources consultées - facilement contournée : les importateurs européens n'étant pas toujours au fait des éléments qu'ils peuvent ou doivent exiger, il est ainsi relativement aisé de présenter des informations parcellaires qui conviennent aux clients européens. Par conséquent, la Due Diligence est appliquée différemment par les importateurs qui, le plus souvent, ne comprendraient pas ce que la documentation fournie signifie en termes de conformité légale. L'obligation pour les importateurs d'effectuer des contrôles de terrain dans le cadre de leur DDS, dans les zones à risque pourrait aider dans ce sens afin d'apprécier concrètement et directement les activités de leurs fournisseurs de bois.
- L'approche régionale du FLEGT est peu développée même si le plan de convergence de la COMIFAC prend en compte cette composante et qu'une étude globale de l'impact des APV a été réalisée en 2014. Cette demande d'approche régionale a par ailleurs été souhaitée afin d'harmoniser les approches entre les différents pays du Bassin du Congo.

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3. *Marchés publics*

- D'après certains articles de journaux (Investir au Cameroun, décembre, 2014), non confirmés par d'autres sources, le premier Ministre du Cameroun aurait annoncé aux députés que l'administration publique camerounaise s'équiperait, au moins à 40%, avec du mobilier fabriqué localement. Il est encore trop tôt pour apprécier de la réalité de cette information. La mise en place d'une politique des marchés publics responsable faisant l'objet d'une publicité nationale alors qu'un marché domestique important existe semble tout à fait pertinente. Cela permettrait d'avoir un impact fort sur la dynamique de production de bois.

4. *Initiatives du secteur privé*

- La certification de gestion durable des forêts (notamment FSC) ou de légalité est bien répandue au Cameroun, depuis le milieu des années 2000 avec la certification OLB de Pallisco. La société Néerlandaise Wijma a été aussi la première société certifiée FSC du Bassin du Congo. Pourtant, on observe un ralentissement (pas de nouveaux certificats) et, dans certains cas, même une hésitation à renouveler le certificat de gestion durable en anticipation de la certification FLEGT. De plus il semble que les clients européens soient plus demandeurs d'une certification de légalité qu'une certification de durabilité qui est souvent synonyme d'un prix plus cher. Enfin le lien entre la certification de durabilité et RBUE est plus compliqué à faire qu'avec la certification de légalité.
- La reconnaissance des organismes certificateurs au Cameroun et la compatibilité de leur référentiel avec les grilles de légalité sont en cours, mais il n'existe pas de reconnaissance automatique des certificats privés dans le cadre des licences FLEGT. Cette procédure devrait cependant permettre de faciliter l'émission d'un certificat de légalité pour les sociétés certifiées, étape préalable à la remise d'autorisation FLEGT.
- Lors des négociations de l'APV FLEGT, les sociétés certifiées attendaient du processus FLEGT une légalisation généralisée du secteur qui aurait facilité leurs approvisionnements. Dans l'état actuel, ils n'ont pas l'impression que les choses aient évoluées et ils ne peuvent toujours pas s'approvisionner auprès des exploitants locaux au risque de perdre leur certification (bois non contrôlés). Cela réduit les débouchés de ces exploitants qui se dirigent alors naturellement vers des marchés moins demandeur. Le rôle locomoteur de la certification se perd.
- Les retards pris dans la mise en œuvre du RBUE ont eu pour effet de démotiver le secteur privé qui s'était engagé vers la légalité et qui n'attend plus grand-chose du FLEGT.

5. *Garantie financière et des investissements*

- Les projets actuels où s'investit l'argent sont des projets agro industriels ou miniers. Les *safeguards* des projets agro-industriels sont faibles et nécessiteraient une révision du cadre légal.
- L'UE appuie cependant financièrement des entreprises bananières en demandant de telles garanties. Cela pourrait être un exemple à suivre.

6. *Bois des conflits*

- Bien que non adressé dans l'APV, le bois de conflits représente un problème majeur au Cameroun particulièrement pour ce qui concerne le transit des bois de la RCA. Cela devrait être abordé dans le cadre du système de traçabilité via ce qui sera considéré comme bois de transit et qui ne pourra pas se mélanger avec le bois d'origine camerounaise.

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EQ4. Les éléments du Plan d'action FLEGT ont-ils été mis en œuvre de manière équilibrée, et se renforcent-ils mutuellement pour produire la synergie attendue? Y a-t-il eu des lacunes ou des insuffisances dans la mise en œuvre et la gestion du Plan d'Action FLEGT, et comment ce dernier a-t-il été affecté dans son efficacité globale?

- Au Cameroun on observe une Société Civile très mobilisée dans le cadre du FLEGT, qui rassemble une multitude d'actions 'FLEGT', financées par différents instruments et programmes, dans toute la zone forestière. Selon plusieurs personnes ressources, il y a un manque de coordination centrale de toutes ces activités. Contrairement au REDD qui a mis en place une Cellule Nationale, le FLEGT n'a qu'un Point focal même si ce dernier est assisté de quelques personnes du service des normes et malgré le projet d'organigramme qui prévoit la mise en place d'une structure de légalité. Cela rend plus difficile la possibilité de centraliser l'information et le suivi des différentes initiatives au niveau camerounais. De fait la stratégie FLEGT du pays apparaît moins compréhensible pour les acteurs et les observateurs extérieurs.
- Après une période d'intérêt suite à la signature des APV et le lancement du projet de traçabilité, le Secteur Privé apparaît désormais plus désabusé (suite à l'échec de ce projet) et se mobilise très peu, se recentrant sur les exigences des clients en termes de RBUE et s'interrogeant sur sa présence à court terme dans le pays.
- Le ciblage des projets FAO était plus important durant la première vague d'appel à projet, en accord avec le Point focal FLEGT. Cela était moindre dans la 2ème phase où le point focal n'a plus été pleinement informé des projets soumis d'où la moins bonne coordination citée plus haut.
- La préparation d'un système de suivi d'impact a été initiée par le Comité Conjoint de Suivi.
- Il y a eu, dans les dernières années, des efforts importants en matière de communication (Rapports annuels conjoints (2010-2011, 2012, 2013, 2014 est en cours de publication, sites web etc.) mais il y a encore des difficultés concernant les sujets sur lesquels il peut y avoir communication étant donné les retards concernant le processus. De plus, la communication devrait être adaptée aux différents acteurs (langue locale par exemple) et être à la hauteur des enjeux dans le pays.

Impacts :

EQ5. Dans quelle mesure les objectifs du Plan d'Action FLEGT ont-ils été atteints ou sont-ils susceptibles d'être atteints? Dans quelle mesure et comment les actions FLEGT contribuent elles à ces réalisations ainsi que d'autres instruments existants? Quels sont les acteurs, les facteurs et les mécanismes qui affectent l'impact du Plan d'Actions FLEGT? Quels acteurs en ont ou pas bénéficiés?

Progrès en matière de réduction de l'exploitation illégale

- L'évaluation de l'atteinte de l'objectif majeur (réduction de l'exploitation illégale) nécessite d'avoir une baseline en termes d'illégalité avant de mettre en place un système de monitoring. Ce travail n'a pas été fait pour le moment mais un système de suivi est en cours de développement. Pour autant, la tendance du niveau d'exploitation illégale reste difficile à évaluer malgré la possibilité de croiser les informations fournies par l'OI et récoltées par le CIFOR
- Selon certaines personnes ressources, l'OI a contribué à l'amélioration des contrôles des infractions forestières, à travers l'élaboration des guides (itinéraires) et l'organisation de formations pour les contrôleurs forestiers. Aussi, l'Auditeur Indépendant du système de

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traçabilité du bois et l'état des lieux sur la conformité à la loi des documents en appui à l'obtention des titres forestiers sont considérés comme des impacts importants de l'APV-FLEGT.

Progrès en matière d'accords commerciaux (APV et RBUE)

- Dans le cadre de l'APV, il est prévu qu'un Auditeur Indépendant (AI) réalise l'évaluation du régime des autorisations FLEGT au Cameroun et dans les pays européens. Entre 2012 et 2014, un AI a été recruté pour le Cameroun, pour couvrir, initialement, uniquement la performance du Système de Vérification de la Légalité (SVL). Certes, le SVL n'est pas encore entièrement mise en œuvre et il existe de nombreux éléments à développer, cependant le travail effectué par l'AI pour évaluer la conformité des titres est un bon indicateur d'où en est l'accord et des éléments qui doivent encore faire l'objet d'une attention particulière.
- Une des conclusions de l'audit est *qu'aucune entreprise* [impliquée dans l'exploitation des Unités Forestières d'Aménagement ou de Ventes de Coupes, qu'elle soit Européenne ou africaine, certifiée ou non], *ne peut être considérée comme légale au regard de l'application stricte des grilles de légalité car il n'y a aucun titre dont les documents sont 100% disponibles et conformes*. Le processus d'évaluation et d'analyse expose des lacunes en termes de disponibilité et de conformité de documentation, en raison notamment de problèmes d'archivage, et a servi à révéler les défis posés par une application stricte du SVL dans un contexte comme celui du Cameroun. En fin de compte, les résultats signifient que tout le bois coupé au Cameroun et vendu sur le marché international devrait être logiquement considéré comme illégal si on applique le Système de Vérification de la Légalité (SVL) tel que défini dans l'APV.
- Les résultats de l'audit n'ont pas encore été rendus publics – vraisemblablement pour donner le temps de s'approprier les résultats et pour faire valider le rapport par le CCS – mais ont tout de même mené à des discussions entre les différentes parties prenantes de l'APV ; notamment les ONG's considèrent 'désastreux' le fait que le MINFOF n'ait pas été en mesure d'archiver les documents, et qu'aucune entreprise ne soit capable de fournir toute la documentation requise. Même si les résultats de l'audit exposent des pratiques anciennes, ils donnent lieu à des doutes – parmi certaines organisations - s'il existe une réelle volonté (politique) de réguler le secteur forestier. Le fait que les réunions du Comité Conjoint de Suivi (CCS) de l'APV soient régulièrement reportée est vu – par certaines ONG's – comme le signe de la grande sensibilité des conclusions de l'audit.
- En ce qui concerne le RBUE, on constate que sa mise en œuvre en Europe prend du temps. De plus, chaque importateur développe sa propre Due Diligence ce qui aboutit à des exigences parfois très différentes d'un client Européen à l'autre. Dans un contexte encore peu fiable concernant l'émission des documents il conviendrait, afin que les opérateurs les plus vertueux du Cameroun puissent démontrer leur bonne foi, que les importateurs s'engagent plus loin dans la mise en œuvre de leur Due Diligence.

Progrès en matière d'amélioration de la Gouvernance forestière

- Au Cameroun, l'APV FLEGT est, généralement, vu comme instrument ayant pour objectif ***l'amélioration de la gouvernance forestière***. Avant tout, le FLEGT a constitué un cadre du débat, une opportunité de parler de la bonne gouvernance forestière, dans un processus lancé par l'Administration Forestière qui a impulsé les changements; l'administration est perçue comme étant plus à l'écoute de tous les exploitants forestiers, et le texte de l'APV a été conçu de manière participative. Aussi, le Plan a contribué à un dialogue politique structuré, inclus le passage en revue participative et régulière de l'engagement de l'Etat.

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- La croissante participation et contribution, depuis 2007, des organisations de la société civile, du secteur privé et des communautés à la mise en œuvre et le suivi des politiques forestières, à travers la mise en place d'un cadre de concertation multi-acteurs, est vue comme l'impact principal de l'APV FLEGT au CM. Cette participation active serait due, selon certains, à la proactivité et l'engagement des Organisations de la Société Civile (SC). La société civile aurait notamment permis aux opérateurs économiques et à l'Administration de prendre conscience de l'ampleur des problèmes existants et de l'illégalité. Au début du processus, le dialogue était difficile, mais au fur et à mesure de l'avancé de la mise en œuvre, il s'est renforcé et les populations locales et autochtones se sentent, aujourd'hui, *'un peu mieux pris en compte'*.
- La prise en compte des populations autochtones (PA) dans les questions de gouvernance forestière est un acquis particulier ; elles sont davantage reconnues comme étant des parties prenantes au processus FLEGT. L'annexe V de l'APV FLEGT fait mention des parties prenantes. Aussi, le souci de s'assurer de la représentativité des parties prenantes au sein du Comité National de Suivi (CNS) a contribué à une participation effective – si encore faible - des PA aux discussions, même si récemment le CNS n'aurait pas livré suffisamment d'input pour alimenter le CCS. Tout de même, la représentativité des différentes parties prenantes, notamment des populations autochtones, en est encore à ses premiers pas et doit se développer davantage.
- L'implication de la SC dans les groupes de réflexion ou dans l'Observation Indépendante et dans les Comités de suivi de la mise en œuvre de l'APV-FLEGT (CNS, CCS et Conseil), entre autres, a aussi été reconnue officiellement ; elle est également une obligation (une exigence) dérivant de l'APV et du Décret du MINFOF concernant l'organisation du Comité National de Suivi (CNS). L'APV a formalisé la participation de toutes les parties prenantes du secteur, et 'obligé' les échanges et la communication entre elles. Le mécanisme de négociation et mise en œuvre de l'APV sur base d'un consensus national et d'un processus multi-acteurs est considéré l'élément clé du succès de l'APV. Il présuppose la reconnaissance mutuelle et la bonne volonté des parties prenantes à adhérer aux principes de participation, ainsi que la mise à disposition des ressources nécessaires. Dans un contexte où un réel intérêt à coopérer n'est pas toujours évident, l'adhérence aux principes pour la négociation de l'APV et la surveillance (par l'UE) du respect de ces principes sont également cruciaux.
- Le renforcement des capacités des acteurs de la société civile, et aussi du secteur privé, est vu comme un autre acquis important. A travers de projets de renforcement des capacités (ex. NEPCON), certains PME/PMI ont été préparés à la mise en œuvre des exigences du système de vérification de la légalité et du RBUE. Les formations ont principalement concerné les normes d'intervention en milieu forestier et les exigences légales dans les aspects sociaux.
- Certaines personnes ressources font le cas d'un changement de mentalité dans la gestion de la politique forestière, grâce au FLEGT ; l'administration serait plus soucieuse de répondre plus rapidement. Aussi, un changement de la mentalité des agents de l'État et une meilleure connaissance des textes en vigueur auraient contribué à une réduction de l'exploitation illégale dans le domaine forestier permanent.
- Les objectifs en termes de gouvernance sont plus mitigés avec des avancées en termes de transparence et de participation des parties prenantes. Le développement d'un site web est considéré comme une contribution importante à la transparence. Mais il reste des questions liées aux actions réelles de terrain qui parfois vont à l'encontre des décisions prises.
- La modernisation de la réglementation forestière nationale – associant les intérêts économiques à ceux écologiques de gestion durable des forêts - est également vue comme un changement grâce au FLEGT ; l'APV exige des actions gouvernementales pour s'arrimer aux exigences de

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l'APV ; après la ratification de l'APV, une série de réformes s'est engagée et il y a eu une ouverture à la participation du public. Sur le plan de la réforme juridique, la signature par le MINFOF, en février 2013, de trois arrêtés portant sur le Système Informatique de Gestion des Informations Forestières (SIGIF II, parfois surnommé le Système de traçabilité du bois), sur les autorisations FLEGT et sur les certificats de légalité est considéré comme un acquis important, du point de vue de l'administration forestière. Mais le processus de réforme du cadre législatif reste à être achevé.

- Le renforcement des droits procéduraux (la participation et un début de publication des informations en accord avec l'Annexe VII de l'APV portant sur la Transparence) est considéré comme étant un résultat positif. En même temps, l'absence d'un véritable mécanisme pour traiter la problématique de la faible coordination interministérielle et la planification harmonieuse de l'utilisation des terres forestières ainsi que le respect des procédures légales et réglementaires afférentes est considéré comme une importante faiblesse dans la perspective de l'APV du Cameroun. On considère que l'appropriation du FLEGT par les autres Ministères (en dehors du MINFOF) est encore faible, et qu'il faudrait des directives plus claires pour une telle implication.
- Le rapport du *Chatham House* (2015)⁴ suggère que le progrès au Cameroun en matière de FLEGT, et notamment de la lutte contre l'exploitation illégale, est restreint depuis 2010. Il fait référence à la réforme du cadre législatif qui reste encore à aboutir, une disponibilité partielle d'information sur le secteur forestier et une acceptation limitée du principe de transparence. L'application des réglementations forestières est considérée comme étant faible et les systèmes de gestion de l'information seraient inadéquats. La contrainte la plus importante, selon le rapport, est la corruption généralisée et le manque de volonté politique de changer cette situation. Par conséquent, et malgré les progrès faits dans le secteur privé, les activités illégales dans le secteur forestier seraient encore très répandues.
- Des rapports du *Greenpeace* font aussi le cas de corruption et d'une transparence limitée dans le secteur forestier, notamment par rapport à l'allocation des titres d'exploitation forestière.

EQ6. Quels autres résultats, impacts ou effets secondaires inattendus, positifs ou négatifs, les mesures FLEGT (y compris l'EUTR) ont-elles eues ? Qui a pu ou non en bénéficier et à travers quels mécanismes ?

- L'émergence rapide de la thématique de la conversion des terres après la signature de l'accord est un élément important pour comprendre la dynamique actuelle, voire les difficultés du processus de mise en œuvre de l'APV au Cameroun, notamment en termes de volonté politique. Elle constitue un test majeur pour l'APV et nécessite de lui une forte adaptation et flexibilité en termes de révision de la législation, afin de définir les règles d'attribution des zones devant être transformées en plantations agro-industrielles, d'exploitation et de traçabilité des bois.
- Sur la base des minutes des sessions du Groupe de Travail suscité, tenues en 2014 et 2015, on peut retenir que, dans l'optique de valoriser la matière ligneuse, le MINFOF a attribué plusieurs Ventes de Coupe dans les zones de projets de développement (telles que le Port en eaux Profondes de *Kribi*, le Barrage de *Lom Pangar* et le projet HERAKLES) en l'absence d'une procédure préétablie. Pour pouvoir procéder, l'administration s'est basée sur la Loi Forestière en vigueur (article 73-1) en adoptant une procédure provisoire qui contient les éléments associés des procédures des ventes de coupe conventionnelles, des autorisations de récupération et des ventes aux enchères publiques. Le Groupe de Travail - tout en reconnaissant que les procédures existantes sont inappropriées pour l'attribution des ventes de coupes dans les zones de projets

⁴ Illegal Logging and Related Trade - The Response in Cameroon. A Chatham House Assessment (Jan 2015)

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de développement - constate un écart entre les mesures prises par le MINFOF et la grille de légalité sur les autorisations de récupération de bois.

EQ7. Dans quelle mesure le Plan d'Action FLEGT a-t-il contribué à ses objectifs supérieurs dans les pays partenaires? Par quels moyens ces cela a été il atteint, et de quelle façon la contribution du Plan d'Action FLEGT peut-elle être améliorée? Comment les bonnes pratiques FLEGT peuvent-elles éclairer les actions menées dans d'autres secteurs?

○ *Gestion durable des forêts*

- Le Cameroun s'est engagé dans la gestion durable des forêts bien avant la signature de l'APV; Il n'y pas d'indication que les processus APV FLEGT aient contribué à renforcer la gestion durable dont le cadre a été élaboré bien avant que le processus FLEGT ne démarre. Il y a même une certaine tendance de la part des certaines sociétés privées, d'attendre la mise en place des licences FLEGT, avant de renouveler la certification FSC qui n'est pas toujours financièrement reconnue sur le marché européen au travers d'un prix d'achat reconnaissant l'investissement réalisé pour obtenir cette certification. De plus, il a été montré que les forêts communautaires auraient du mal à remplir les conditions des grilles de légalité et on peut logiquement s'interroger si les efforts liés à la mise en œuvre de l'APV FLEGT n'auront pas les impacts escomptés sur leur gestion durable.

○ *Réduction de la pauvreté*

- Un suivi des impacts a commencé à avoir lieu au niveau des communautés locales, mais pour l'instant il n'y a pas encore des résultats disponibles.
- L'APV a le potentiel de réduire la pauvreté, au niveau du marché national et plus spécifiquement à travers la foresterie communautaire. L'association des forêts communautaires (cas de la Kadey, par exemple) voit *qu'il y a à gagner quelque chose dans la légalité*, qu'elle peut contribuer à réduire la pauvreté; depuis 2014 elle s'est engagée dans le processus d'obtention des certificats de légalité et la commercialisation du bois, avec un appui du CARFAD (Centre Africain de recherches Forestières Appliquées et de Développement) et le Réseau de Foresterie Communautaire (RFC) et financement UE). Le soutien de la part de l'UE pour financer les études d'impact sur l'environnement ou pour réaliser les inventaires par les communautés a permis aux communautés de participer de façon légale et agréée à la profession forestière. Dans le même temps les exigences de légalité pour les forêts communautaires sont très élevées et nécessitent un important travail de sensibilisation et de formation. Des inquiétudes existent donc concernant la possibilité de toutes ces forêts communautaires de pouvoir obtenir à terme une licence FLEGT avec pour conséquence de les mettre en dehors du marché formel.
- Certains PME/PMI se disent plus responsables, aujourd'hui, dans l'exercice de leur gestion forestière, avec des bénéfices en termes de bonne commerce. Pourtant, comment réguler et pérenniser les activités aujourd'hui informelles reste une grande question auquel l'APV FLEGT se voit confronté (Etude du MINFOF 2013) sans qu'une réponse ne soit encore apportée malgré la mise en place récente de projets d'appui.
- La reconnaissance récente (2014) des peuples autochtones et leur implication dans le CNS (2 places) est une étape importante mais leur implication réelle dans le processus reste encore faible. Il semble nécessaire d'avoir plus de recul pour apprécier le niveau d'implication et la reconnaissance des peuples autochtones dans le processus. Cependant il a pu être remarqué sur le terrain que dans le cadre de la mise en place de plantations agroindustrielles, le

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déplacement de ces populations semble se faire dans un cadre relativement flou et on peut s'interroger sur la prise en compte réelle des préoccupations de ces populations (exemple du déplacement d'un village dans le cadre de l'installation de plantations d'*Hévéa* dans la zone littoral visité durant la mission).

- La RFA permet lorsqu'elle est bien redistribuée la mise en œuvre de projet de développement mais la part revenant directement communautés a été revue dans la loi des finances 2015 pour revenir au niveau communal sans que ni les communautés n'en aient été informées ni même que les responsables communaux n'en soient toujours conscients. Cela a pour effet une certaine incompréhension de la part des villageois qui ne peuvent plus gérer directement ces fonds et une grande méfiance vis-à-vis de la politique forestière menée au niveau national.

Efficiences:

EQ8. Dans quelle mesure les différentes actions FLEGT, mises en œuvre par la CE, par les pays membres et par les pays partenaires ont-elles été économiquement efficaces et proportionnées pour atteindre les objectifs FLEGT?

Pas de données

Durabilité :

EQ9. Quelles sont les chances que les mécanismes FLEGT, ainsi que les systèmes et les impacts positifs soient durables et sur quelle durée? Dans quelle mesure les questions abordées par les interventions FLEGT nécessitent une action au niveau de l'UE, et quelles pourraient être les conséquences de l'arrêt de ces interventions? Quels sont les facteurs et les conditions favorisant la durabilité des résultats FLEGT? Quels sont les liens, les retombées et les synergies des actions FLEGT avec les processus multilatéraux plus vastes, tels que le FNUF, et les initiatives internationales comme le Lacey Act ou le mécanisme de l'ONU-REDD?

- La durabilité des effets du FLEGT dépende fortement de la volonté et l'engagement politique.
- La cohérence entre le message émis au niveau supérieur doit se refléter dans les actions locales, pilote pour en assurer l'appropriation et la durabilité à l'instar de projets REDD+

Cohérence et valeur ajoutée

EQ10. De quelle façon les mesures FLEGT ont-elles été cohérentes ? Ont-elles été complémentaires ou en contradiction ou bien font-elles doublon avec d'autres mesures de la Commission Européenne, des Etats membres ou d'autres politiques des bailleurs de fonds ? Comment ont été traitées ces éventuelles interférences? Dans quelle mesure l'action de l'UE dans le cadre du Plan d'Action FLEGT a-t-elle ajouté de la valeur à des interventions séparées par des Etats Membre dans le même contexte?

- La mission constate une bonne collaboration/coordination entre les interventions des différents bailleurs EU/MS. Notamment l'Allemagne est fortement impliquée au niveau institutionnel, alors que la DUE intervient plutôt au niveau diplomatique, avec des moyens de pression, et au niveau de suivi du processus.
- Pourtant, on constate que L'UE n'a pas eu l'impact attendu en termes de marketing et de communication sur les avancées réalisées dans les pays APV tels qu'établis dans l'Article 18 de l'APV. De même les retards pris dans la mise en place du RBUE ont réduit sa crédibilité auprès des parties prenantes camerounaises.
- FLEGT et REDD+ sont une démarche commune vers la lutte contre la déforestation. On constate que le processus de consultation est plus élaboré dans le cadre du FLEGT alors que la coordination des activités est bien plus avancée dans le cadre du REDD+ qui se base sur un

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scénario de référence très élaborée, ce qui n'existe pas dans le cadre du FLEGT. L'approche désormais en jeu se passe au niveau de l'implication, et à termes des bénéficiaires, des communautés locales dans les deux processus.

Conclusions et Recommandations provisoires

1. Le processus FLEGT a mobilisé, au cours des années (2007-2014) beaucoup d'acteurs autour des questions de gouvernance forestière. Il a facilité des améliorations importantes en termes de **participation des Organisations de la Société Civile et des communautés et peuples indigènes dans la gouvernance forestière**, ce qui est vue comme l'impact principal de l'APV FLEGT au CM. Même si les communautés et peuples indigènes n'étaient pas directement représentés durant la phase de négociation de l'APV, ils sont désormais associés à la mise en œuvre – suivant une certaine pression de la plateforme de la société civile. L'APV-FLEGT a résulté en l'instauration d'un *dialogue multi-acteurs* effectif et permanent concernant la gestion des Ressources Naturelles, au sens large, comme important impact imprévu bénéficiant, entre autres, le processus REDD.
2. Malgré d'importants efforts, le processus APV-FLEGT s'avère long et compliqué; il n'a pas encore abouti aux licences FLEGT. Le développement d'un système de traçabilité du bois, notamment, s'est avéré plus compliqué que prévu. Entretemps, pour démontrer l'engagement et les efforts fait par les acteurs Camerounais le MINFOF a décidé juste avant la mise en œuvre du RBUE d'émettre des certificats de légalité, d'ailleurs prévus par l'APV. Cette initiative, alors que le TLAS était très loin d'être mis en place n'a finalement pas permis d'émettre de tels certificats de légalité aux entreprises demandeuses mais interroge sur la façon dont ces certificats de légalité pourraient être utilisés pour répondre aux exigences du RBUE, en l'absence de licences FLEGT. En revanche, ces certificats de légalité peuvent répondre à certaines attentes en termes de phasage du processus APV, le système de certification de légalité – qui considère également la certification privée - **devenant une étape intermédiaire (jalon)** vers l'achèvement des licences FLEGT, une fois opérationnel le SVLB (TLAS).

Recommandation 1. *Dans le processus de mise en œuvre de l'APV – au niveau global - pour maintenir l'élan et la motivation initiale, il est souhaitable de définir des jalons, couplé à des incitations matérielles, permettant une évolution progressive et phasée vers la légalité de toute la production nationale de bois. Les **certificats de légalité** constituent un premier jalon valable dans le développement d'un système d'autorisations FLEGT. De la même façon, des jalons dans le processus de renforcement de la gouvernance forestière seraient à identifier. L'achèvement d'un certain niveau de transparence (d'information rendue publique), comme spécifié en annexe VII de l'APV, pourrait servir d'exemple. Les plans d'action d'urgence annuels établis et actualisés dans le cadre des CCS pourraient également servir à établir ces jalons.*

3. Après la ratification de l'APV, une série de réformes s'est engagée. La signature par le MINFOF, en février 2013, de trois arrêtés est considéré comme un acquis important, du point de vue de l'administration forestière. Mais plusieurs parties prenantes en particulier de la société civile émettent des soucis sur la **lenteur du processus de réformes et sur une transparence limitée**. Alors qu'il y a des clairs signes d'une transparence croissante, on observe encore une faible transparence de certaines informations cruciales, par exemple de production ou d'allocation de titres d'exploitation, et un processus de réforme de la loi forestière non abouti ; il n'est pas clair dans quelle mesure les contributions faites seraient prises en comptes dans les nouveaux textes et réglementations.
4. **L'observation Indépendante** des ONG's s'est développée en outil fort et indispensable de vérification de la légalité et d'identification d'irrégularités. Elle est effectuée de plus en plus par

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les représentants de la société civile et des communautés locales sur le terrain, et les instruments de suivi sont en cours de développement. Avec l'arrêt de l'OI FLEGT financé par l'UE, les activités formelles de terrain n'ont plus lieu. L'utilisation des rapports de l'OI, de la part de l'UE, comme instrument dans l'application du Due Diligence (RBUE) aurait été faible. Par conséquent, l'OI FLEGT n'aurait pas encore eu l'impact escompté en termes d'information sur le niveau de légalité des activités forestières dans le pays. L'OI indépendante menée par les ONG locales se poursuit avec des moyens moindres toutefois.

Recommandation 2 : *Afin de préciser l'analyse des risques faites dans le cadre d'une Due Diligence et pour aller plus loin que la simple analyse documentaire, facilement falsifiable, il conviendrait que les importateurs réalisent une analyse de risque sur le terrain auprès des fournisseurs de bois afin d'apprécier leurs engagements réels en termes de légalité. Ce type de travail pourrait être commun entre plusieurs importateurs afin de minimiser les coûts de ce travail de terrain et pourrait se faire pour la traçabilité d'un échantillon de colis ou de produits importés du Cameroun.*

5. Plusieurs sources d'information verbale et écrite émettent des **doutes sur une réduction effective du niveau d'illégalité** dans le secteur, et même sur l'engagement de l'administration forestière dans le processus FLEGT. Des pratiques de corruption persistent, compromettant les avancements faits dans le cadre de l'APV. Un dialogue au plus haut niveau politique semble nécessaire pour adresser cette mise en situation qui, d'ailleurs, regarde plusieurs ministères. Cette approche à un haut niveau est par ailleurs souvent citée comme étant un prérequis nécessaire sans lequel la lutte contre la corruption et l'exploitation illégale apparaît illusoire. Dans ce dialogue, les aspects de bonne gouvernance devraient être clairement abordés.

Recommandation 3. *Engager/Renforcer un dialogue au plus haut niveau politique – comme celui de la signature de l'APV - pour adresser les questions fondamentales de gouvernance, inclue la corruption, dans le secteur forestier et d'autres secteurs impactant sur les forêts. Sans progrès sur cette thématique, la lutte contre l'exploitation illégale apparaît illusoire.*

6. Entretemps, la **conversion de forêts en plantation agro-industrielle prend une grande ampleur**; elle est parfois associée avec des pratiques peu légales et des phénomènes de corruption, compromettant des plans d'aménagement existants et l'existence même du secteur industriel forestier. Les flux de bois issus des récupérations de bois sont croissants et comparables à ceux issus du Domaine Forestier Permanent. La capacité de l'APV de répondre à cette nouvelle problématique est mise à l'épreuve, et la crédibilité même de l'approche FLEGT comme instrument visant une gestion durable des forêts est en jeu.

Recommandation 4. *La problématique autour de la conversion des forêts constitue un challenge qui doit être prise en compte dans le cadre de l'APV, du seul fait qu'elle génère d'importants flux de bois. Au-delà des aspects de légalité du bois de récupération/conversion, le besoin d'un plan d'utilisation des terres forestières, ou plutôt d'un plan d'aménagement du territoire national se fait sentir, autant pour le FLEGT que pour le processus REDD, basé sur une bonne coordination interministérielle.*

7. L'un des objectifs de l'APV, à savoir d'améliorer la **compétitivité du pays sur les marchés internationaux de bois** a reçu peu d'attention et d'investissements, et il est loin d'être atteint. On observe plutôt un secteur forestier industriel qui est en train de perdre de l'importance, par rapport à d'autres secteurs; certains acteurs doutant même de la pérennité de leur présence dans le pays. En plus, le RBUE reste un processus très vague pour les exportateurs puisque la Due Diligence serait appliquée différemment par les importateurs. La mise en œuvre tardive, non homogène du RBUE ainsi que le flou des demandes des importateurs en Europe fait qu'on peut, selon différentes sources consultées, contourner certaines exigences notamment en fournissant des documents inadéquats.

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8. **Le marché domestique représente une énorme tâche** qui aurait mérité une approche spécifique. Le secteur artisanal/marché intérieur du bois/marché domestique doit être intégré dans l'APV/FLEGT, pour éviter une légalité forestière à deux vitesses. Pour le moment, ce marché n'est pas encadré et constitue une concurrence déloyale à ceux qui font des efforts pour répondre à la légalité. L'appui à ce secteur largement informel n'a pas été à la hauteur des besoins et devrait être renforcé. En même temps, la fiscalité formelle et informelle des PME/PMI n'est pas incitative pour approvisionner le marché domestique. Dans le même temps les exigences de légalité pour les forêts communautaires sont très élevées et nécessitent un important travail de sensibilisation et de formation. Des inquiétudes existent donc concernant la possibilité de toutes ces forêts communautaires de pouvoir obtenir à terme une autorisation FLEGT avec pour conséquence de les mettre en dehors du marché formel. Il semble que l'intégration du marché domestique dans les systèmes de vérification de la légalité devrait être progressive, différenciée du secteur industriel et adaptée aux réalités et aux capacités de ce secteur.

***Recommandation 5.** Augmenter le soutien et les investissements en faveur de la filière bois, surtout des acteurs (PME, PMI) actifs sur le marché domestique, mais aussi du secteur industriel. Les différents instruments disponibles doivent être utilisés dont l'instauration d'une Politique Public d'Achat de bois du Cameroun pour renforcer les capacités, augmenter la contribution du secteur aux économies nationales et sous-régionales et la compétitivité (Camerounaise et du bassin du Congo plus généralement) sur les marchés internationaux de bois.*

9. **L'impact de l'APV FLEGT sur les populations** semble encore faible, mais il est aussi peu connu; le suivi des impacts au niveau local commence à être développé, à travers plusieurs efforts (CAJAD-FODER, CED, EFI). Les peuples autochtones sont pris en compte à travers une présence effective au CNS depuis 2014 seulement. Le respect des obligations sociales (à travers la gestion des RFA) des sociétés est encore faible par manque de sanctions, et une révision récente de la loi de finance (intégrant la part des communautés dans celle des communes) semble réduire la motivation au niveau local pour s'engager dans la protection. On observe également la démotivation et un risque de perte d'emplois de certaines PME-PMI du secteur artisanal avec la mise en place de la légalité.
10. La gestion et la mise en œuvre des activités APV-FLEGT au Cameroun pourraient bénéficier d'un **renforcement de la structure de programmation et de coordination** des actions FLEGT (point focal FLEGT), face à l'abondance d'acteurs, d'instruments financiers et d'activités. La *communication* sur le FLEGT a consisté à des initiatives ponctuelles de plusieurs ONG's et a besoin d'être renforcée pour arriver aux acteurs dans l'arrière-pays que ce soit les communautés locales ou les administrations décentralisées. Un plan de communication du MINFOF vient d'être adopté.

***Recommandation 6.** Elargir et renforcer la structure et les moyens de coordination et de communication sur le FLEGT-APV. Notamment, une ouverture envers les secteurs agricoles et miniers semble impérative pour mieux gérer les impacts sur les forêts naturelles.*

Leçons apprises

1. Le mécanisme de négociation et de mise en œuvre de l'APV sur base d'un **consensus national et d'un processus multi-acteurs** est considéré comme étant l'élément clé du succès de l'APV. Il présuppose la reconnaissance mutuelle des parties prenantes, une adhésion aux principes de participation, ainsi que la mise à disposition des ressources nécessaires. L'adhérence aux principes pour la négociation de l'APV et la surveillance, par l'UE, du respect de ces principes sont également cruciaux.

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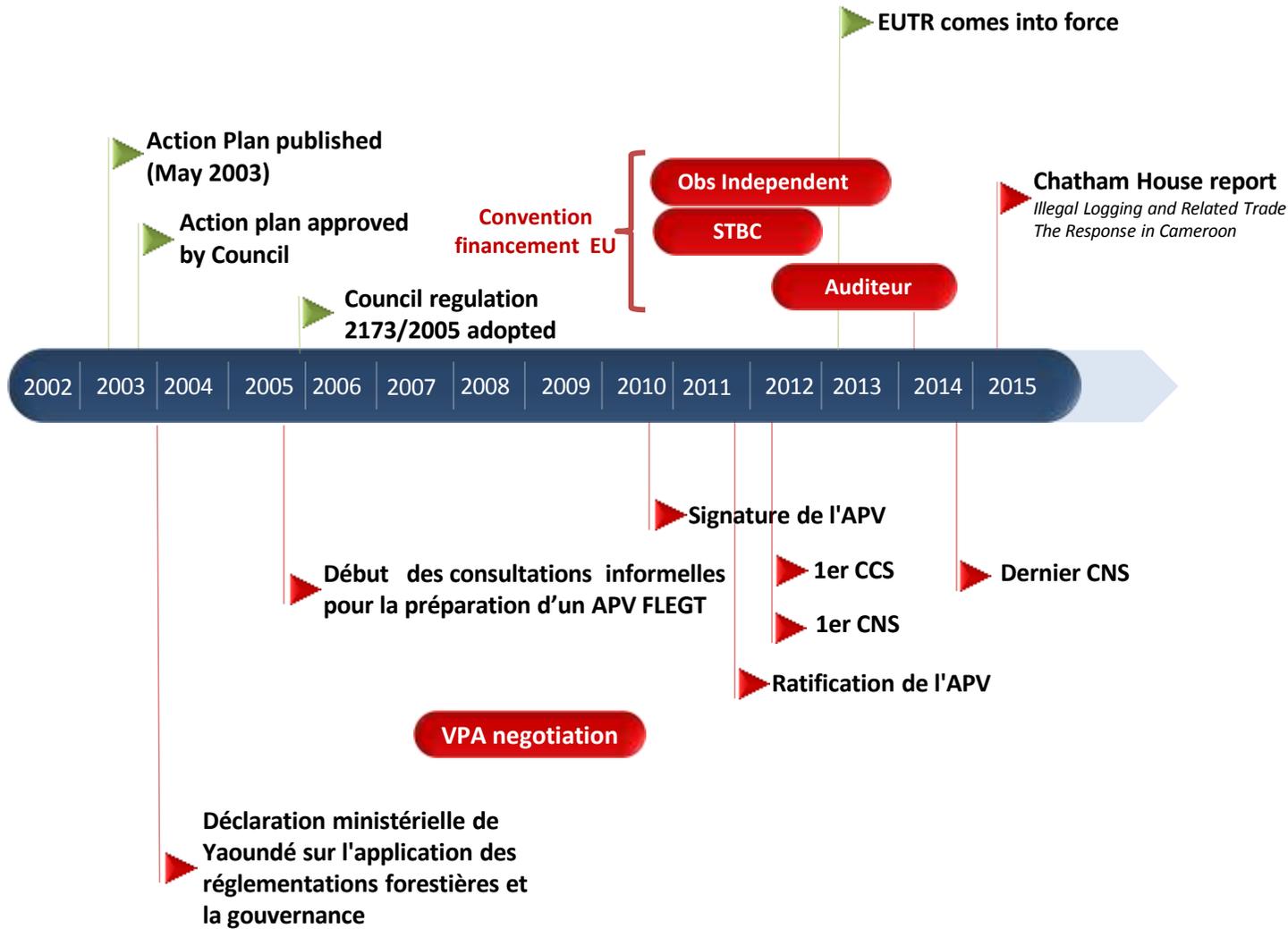
Annex 2 Programme de la mission

Date	Rencontre-Visites
19/05/2015	Réunion de présentation des objectifs et du programme de la mission aux représentants des principaux groupes porteurs d'intérêt auprès de la DUE Participation à l'atelier sur la Transparence
20/05/2015	Discussion avec le Conseiller REDD Rencontre avec le représentant de Greenpeace au Cameroun Entretien avec le conseiller du Ministre GIZ
21/05/2015	Réunion dans les bureaux de CAJAD/RELUFA avec des membres de la société civile et des peuples autochtones : FODER, CED, CAJAD, FPP, OKANI, ASBAK, BACUDA, ADEBAKA, ABAGUENI, SAILD Entretien avec le représentant de CED Participation à l'atelier PME/PMI/Forêts Communautaires organisé par FODER
22/05/2015	Déplacement sur le terrain Rencontre avec communautés locales (Mapubi, Ndokok) impliquées dans l'OI
23/05/2015	Rencontre avec les représentants d'ALPICAM, PALLISCO et WIJMA Rencontre avec APED et représentants des Peuples autochtones
24/05/2015	Visite de terrain auprès de la communauté Bakéri déplacée dans le cadre du développement des actions de HEVECAM
25/05/2015	Réunion avec les acteurs du processus REDD : COMIFAC REDD, CN REDD, Conseiller, FODER Préparation de la présentation finale
24/05/2015	Réunion de restitution aux représentants des principaux groupes porteurs d'intérêt auprès de la DUE

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Annex 3 FLEGT Timeline



Mission Aide Memoire – Côte d'Ivoire

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Situation de la Côte d'Ivoire au regard de l'action FLEGT :

a) Historique du Processus FLEGT en Côte d'Ivoire

La République de Côte d'Ivoire est en cours de négociation d'un Accord de Partenariat Volontaire (APV) avec la Commission européenne (CE) depuis février 2013. L'historique du « Processus FLEGT » en Côte d'Ivoire est fourni à l'Annexe 1 du présent aide-mémoire.

b) Principales parties prenantes

Les évaluateurs ont tout d'abord contacté les points focaux FLEGT et personnes-ressources clés pour l'APV Côte d'Ivoire, au sein principalement de : la Délégation de l'UE (DUE), la Facilitation FLEGT et l'Assistance technique FLEGT en Côte d'Ivoire, la Commission européenne (DEVCO) à Bruxelles, et la Facilité FLEGT de EFI (European Forest Institute) à Barcelone.

Avec l'aide de ceux-ci, ils ont pu identifier les principaux groupes de parties prenantes et leurs représentants à rencontrer. Le tableau contenant la liste des participants aux différentes rencontres et entretiens, ou avec qui les évaluateurs ont été en contact dans le cadre de la mission, figure en Annexe 2 dans cet aide-mémoire.

c) Programme de la mission

Avec l'assistance du Point focal national (PFN) APV-FLEGT Côte d'Ivoire, et en appui sur le Secrétariat Technique Permanent (STP) de l'APV FLEGT Côte d'Ivoire, également connu comme « la Coordination FLEGT », les évaluateurs ont pu élaborer le Programme de la mission, lequel figure, tel que réalisé, à l'Annexe 3 du présent aide-mémoire. Toutes les rencontres et activités prévues ont pu avoir lieu.

d) Points d'attention particuliers

Les principaux « points d'attention » notés pour la mission en Côte d'Ivoire comprenaient :

- Facteurs de progression et de retards, actuellement, dans la mise en œuvre du Processus FLEGT en Côte d'Ivoire, et leçons à tirer pour le futur de FLEGT et des APV en particulier
- Intégration de FLEGT dans les activités des acteurs institutionnels locaux (Gouvernement, DUE), et prévision de ressources pour assurer un soutien durable au processus
- Problème du marché domestique alimenté en majorité par un secteur artisanal largement informel, et possibilité d'inclure à terme ce secteur artisanal dans le champ d'application de l'APV
- Face à la perception (sensible parmi les acteurs contactés avant et au début de la mission) de la longueur et de la difficulté excessives du processus, question de la complexité des composantes du Système de Vérification de la Légalité (SVL) à mettre en place dans le cadre de l'APV avant de pouvoir lancer les autorisations FLEGT⁴⁷.

e) Ateliers de lancement et de restitution

⁴⁷ Désignant ici les licences FLEGT nécessaires pour l'exportation vers l'UE et les permis d'exportation hors UE délivrés comme résultat de la mise en œuvre du SVL.

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L'atelier de lancement de la mission, qui a compté au moins 27 personnes ayant émargé sur la liste des participants, a donné lieu notamment :

- à la reconstitution de l’historique de la mise en œuvre du processus FLEGT en Côte d’Ivoire (cf. Annexe 1) ;
- à un travail participatif sur la perception des résultats et impacts du processus, suivi d’une discussion, sur la base de 2 questions posées aux participants :
 1. Quels sont à votre avis les aspects les plus positifs du processus APV/FLEGT en Côte d’Ivoire (ce qui a bien fonctionné ou a fourni des résultats positifs, attendus ou inattendus) ? Préciser comment (mécanismes), par qui, et grâce à quoi (facteurs de succès) ces résultats/effets ont été obtenus.
 2. Quels sont à votre avis les aspects les plus négatifs du processus APV/FLEGT en Côte d’Ivoire (ce qui a moins bien fonctionné ou a produit des effets négatifs) ? Préciser comment (mécanismes), par qui, et à cause de quoi ces résultats/effets négatifs se sont produits.

L'atelier de restitution des résultats, qui a réuni plus de 22 personnes (ayant signé la liste des participants) en fin de mission, a permis :

- de présenter une synthèse des principaux résultats collectés lors (i) de l’atelier de lancement et (ii) des rencontres ultérieures avec les différents groupes de parties prenantes et autres acteurs ;
- de clarifier, compléter, et valider les résultats provisoires, puis d’en tirer des conclusions et recommandations préliminaires, en interaction avec les participants.

Principaux résultats

Les résultats collectés au cours de la mission sont présentés comme tels dans la suite, classés par grandes Questions d’Evaluation (QE) et Domaines d’Action (DA), selon la méthodologie adoptée pour l’évaluation d’ensemble du Plan d’Action. Ils sont cités entre guillemets lorsque la citation exacte est respectée. Ils n’engagent que leurs auteurs, tous les commentaires ne faisant pas l’objet d’une vérification des informations qu’ils peuvent contenir, mais traduisent dans tous les cas les perceptions de certains acteurs du processus FLEGT, sur le processus lui-même et sur la situation du secteur forestier en Côte d’Ivoire. Ils sont parfois augmentés d’éléments contextuels issus de recherche bibliographique. Ces résultats sont également classés à l’Annexe 6 (Tableau d’analyse des résultats) en fonction de critères d’analyse.

QE 1 (pertinence):

- **Maintien d’un couvert forestier.** La Côte d’Ivoire a été un grand pays forestier, mais la forêt y a régressé de 16 millions d’hectares (début 20^e siècle) à quelque 2,5 Mha actuellement. L’agriculture y est prioritaire, et son développement s’est fait au détriment de la forêt. Selon la perception d’un intervenant rencontré au cours de la mission, il n’y a pas de grands budgets alloués à la forêt, l’apport du secteur au pays n’est pas estimé, pas plus que le potentiel forestier en l’absence d’un inventaire national récent. « Tout est trop lent, alors qu’un arbre disparaît si vite. Il n’y a pas de conscience collective du danger lié à la disparition des forêts ». Toutefois, le maintien d’un couvert forestier minimum est désormais officiellement reconnu comme un enjeu vital pour le secteur forestier, pour les écosystèmes naturels et économiques de la Côte d’Ivoire, et pour la lutte contre le réchauffement

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climatique⁴⁸. *FLEGT apparait donc comme une initiative pertinente pour soutenir la préservation du couvert forestier.*

- **Limites de la pertinence de l'action FLEGT en faveur de la préservation-restauration du couvert forestier.** Le commentaire reçu (« FLEGT vise le bois mûr exploité, mais ne fait rien contre la déforestation ») traduit la perception de ce que le contrôle de la déforestation par changement de destination des terres échappe assez largement à l'APV FLEGT (voir QE 4, à propos d'agendas ministériels concurrents comme « agriculture contre forêt ») du fait que le SVL peut surtout permettre d'éviter l'exportation du bois illégal issu de conversion illégale, mais est peu efficace en soi pour empêcher cette conversion illégale des terres (les auteurs de ces conversions pouvant brûler le bois sur place ou l'écouler localement). Pour EFI, « Le processus APV FLEGT, et notamment la définition de la légalité du bois permet (...), si les parties prenantes le souhaitent, de définir comme légal [...] le bois issu d'une conversion légale telle que définie dans la grille de légalité (par exemple, avec cartographie, consultation des parties prenantes, des étapes à respecter, autorisations à obtenir, en toute transparence etc.) ». Il n'est toutefois pas évident qu'une plus grande clarté dans la réglementation, du fait de l'inclusion de la définition de ce qu'est la conversion légale dans la grille de légalité de l'APV, suffise à elle seule à réduire significativement la conversion *illégale* des forêts (représentant une part substantielle de la déforestation), la question relevant alors du contrôle du respect de la loi sur le terrain et de son efficacité.
- **Inclusion du marché national dans l'APV.** En Côte d'Ivoire, le marché domestique est très important, en volume⁴⁹ par rapport au secteur de l'industrie du bois d'œuvre largement orienté vers l'exportation⁵⁰. De plus, il est réputé être alimenté en majorité par un secteur artisanal largement informel. Qu'est-ce qui est fait en Côte d'Ivoire pour assurer les besoins de la population ainsi que ceux de l'industrie en bois légal ? Selon un commentaire, l'inclusion du marché national dans l'APV ne doit pas être seulement théorique, "sur le papier". Les études réalisées récemment⁵¹ dans le cadre du processus APV FLEGT⁵² concourent à une meilleure connaissance et compréhension de la situation et à une estimation des besoins, à rapprocher d'une estimation du potentiel d'exploitation (pour laquelle un inventaire national ferait toutefois défaut). Parmi les stratégies d'adaptation envisageables, les autorités ivoiriennes pensent qu'il n'est pas possible – faute de ressources forestières suffisantes en Côte d'Ivoire - de créer massivement des petits permis légaux pour approvisionner la production artisanale⁵³ ; quoi qu'il en soit, le marché domestique est réputé complexe et peu structuré (insuffisance de textes réglementaires) et son intégration dans l'APV ne peut donc être que progressive. Les autres stratégies de réponse évoquées pour assurer des volumes suffisants incluent : l'adoption de techniques permettant d'économiser le bois (meilleure

⁴⁸ Le 11 juin 2015, le Président Ouattara a lancé officiellement l'opération « Je plante un arbre pour une Côte d'Ivoire plus verte », qui vise un taux de couverture forestière de 20% à l'horizon 2040 et prévoit la plantation de 22 millions d'arbres – y c. des espèces fruitières - sur toute l'étendue du territoire national » en appui sur les populations. (www.gouv.ci/actualite_1.php?recordID=5730). Selon un commentaire reçu la faisabilité de l'opération ne fait pas consensus.

⁴⁹ Volume estimé à 3 millions m3 de **bois d'œuvre** (sur la base de 130 m3 pour 1000 habitants) et 11,5 millions m3 Equivalent Bois Rond (en hypothèse basse) à 23 millions m3 EBR (à raison de 1 m3 de bois énergie par habitant et par an) de **bois énergie et charbon**, soit 14,5 à 26 millions m3 EBR (« ETUDE SUR LE MARCHÉ DOMESTIQUE DU BOIS, DES PRODUITS BOIS ET DES METIERS ASSOCIÉS EN CÔTE D'IVOIRE » / « Etude sur l'exploitation forestière et les contraintes d'une gestion durable des forêts dans le domaine rural en Côte d'Ivoire » – CIRAD-GIZ, Déc. 2013).

⁵⁰ Le secteur considéré formel de l'industrie du bois d'œuvre induit un prélèvement annuel de 1 million m3 (idem).

⁵¹ Egalement : CIFOR-FAO - Le marché domestique du sciage artisanal en Côte d'Ivoire, Analyse qualitative pour établir l'état de lieux, les opportunités et les défis, Programme UE FAO-FLEGT (Projet FAO/CIFOR PO 312493, « Appui au développement des réflexions sur le marché domestique du bois en Côte d'Ivoire avec un soutien dans l'identification d'options stratégiques et la proposition d'un plan d'action ») : Rapport final, Cerutti et al, juin 2015

⁵² « Tout le travail récent sur cette thématique a été motivé par le processus APV et financé grâce à des mécanismes d'appui FLEGT. Les négociations de l'APV ont permis de mettre ce sujet « sur la table » et à initier une discussion sur les différentes alternatives ».

⁵³ A ce titre, l'Etude CIFOR recommandant, selon un intervenant du secteur privé, de « faire un appel d'air pour légaliser les clandestins » est mal perçue par le privé : « il n'y a plus de permis à attribuer ! ».

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transformation, valorisation des essences moins connues, meilleure carbonisation, utilisation de foyers performants, etc.), une plus grande incitation du secteur industriel à alimenter le marché local en produits bon marché (actuellement 75'000 m3)⁵⁴, l'agroforesterie, le recours à des importations, et à des reboisements intensifs (plantations industrielles) pour le plus long terme⁵⁵, en lien avec REDD+.

Conclusion : Le manque de succès de l'APV à intégrer (progressivement) le secteur productif artisanal dans un cadre formel, et donc à intégrer (à terme) le marché domestique dans le champ d'application de l'APV, (tel que mentionné au point 3.8 de la Feuille de route) poserait un problème de pertinence pour le Plan d'action FLEGT en termes de lutte contre l'abattage illégal⁵⁶. Le problème - qui est susceptible de se poser dans tous les pays APV, particulièrement dans les plus peuplés d'entre eux -, est celui de couvrir durablement les besoins de la population en bois d'œuvre et en bois de feu, ainsi que ceux de l'industrie et du commerce du bois à l'exportation. Il convient de reconnaître ces besoins et de rechercher des stratégies pour les satisfaire, l'interdiction "pure et simple" d'exploiter la forêt sans autorisation pouvant être difficile à faire respecter et ne visant pas la réduction de la pauvreté.

- **Intégration des exportations vers la sous-région.** A propos du marché domestique, il a été dit aux évaluateurs qu'il faudrait aussi tenir compte des exportations vers la sous-région, réputées non comptabilisées (« les frontières sont ouvertes ») mais présumées importantes⁵⁷.

Conclusion : Ce point peut soulever la question, importante pour FLEGT, de l'efficacité des procédures de contrôle des flux transfrontaliers terrestres, en place ou envisagées, visant à démontrer la légalité des bois, dans les deux sens entre la Côte d'Ivoire et les pays voisins, notamment le Ghana à l'est et le Liberia à l'ouest, qui sont tous les deux des pays APV et sont donc supposés contrôler ces flux efficacement lorsque leurs APV seront opérationnels.

QE 2 (conception):

Certaines questions relatives à l'approche FLEGT/APV sont traitées plus loin sous l'angle de l'efficacité de l'action FLEGT.

QE 3 (efficacité – couvrant les Domaines d'Action (DA) suivants) :

AA 1 - Soutien aux pays producteurs de bois

- Aussi un facteur d'amélioration de la gouvernance forestière (QE 5) et de soutenabilité de l'action FLEGT (QE 9), l'établissement d'un **processus participatif** tel qu'encouragé par le Plan d'action est le résultat positif le plus évident du processus FLEGT en Côte d'Ivoire, dont la perception est partagée par l'ensemble des parties prenantes. Il instaure un changement radical dans les relations entre celles-ci et dans leur implication : les acteurs du bois de la Côte d'Ivoire estiment qu'au lieu du système gouvernemental traditionnel, dirigiste, ils disposent désormais d'un espace de dialogue sur le FLEGT et sur la définition et l'analyse des politiques forestières en

⁵⁴ Un texte de loi existe pour réserver une partie de la production, mais il reste à appliquer : capacité de l'industrie à fournir les volumes demandés, taux, incitations fiscales (TVA à taux 0, proposée dès 2008 ; abattement ?) ?

⁵⁵ Cf. l'opération lancée en juin 2015 par le Président Ouattara, mentionnée plus haut.

⁵⁶ Le problème touche également les QE 3, 5, 7, 9 et 10 : efficacité, aide au pays producteurs, amélioration de la gouvernance forestière, gestion forestière durable, soutenabilité de FLEGT, et cohérence avec d'autres programmes.

⁵⁷ A la suite de l'étude du CIFOR (appui demandé par le MINEF dans le cadre de ses réflexions sur le marché national), la question des exportations vers la sous-région a été largement débattue dans le groupe de travail [sur le Marché domestique] et au sein du STP. Une étude est actuellement en cours - sous financement de l'OIBT – « Caractérisation du marché domestique, du commerce transfrontalier et du rôle du secteur informel en Côte d'Ivoire »

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général ; le processus est basé sur la recherche de consensus. Les effets positifs évoqués sont nombreux :

(i) décloisonnement, (ii) participation du secteur privé, de la société civile et de la chefferie traditionnelle, (iii) reconnaissance d'une responsabilité commune et d'objectifs communs, (iv) collaboration accrue, même encore imparfaite⁵⁸, entre les administrations, (v) plus grande cohésion entre les groupes d'acteurs (meilleures connaissances, compréhension, et appréciation de l'autre ; goût du consensus) ; (vi) partage d'informations.

- L'attention portée aux communautés locales est citée spontanément comme résultat positif par une minorité de participants consultés, appartenant à la société civile.
 - La SODEFOR⁵⁹, ayant selon certains un possible intérêt au statu quo, s'intègre toutefois davantage (surtout depuis juin 2015) dans le travail technique APV. Elle estime que ses règles peuvent servir de modèle en matière de légalité et traçabilité⁶⁰. Elle a accepté un projet d'Observation Indépendante Mandatée (OIM) de son exploitation dans la Forêt du Cavally, d'une durée d'un an (la deuxième phase approuvée par le bailleur à la suite de l'Appel à Proposition 2014 n'a pas encore démarré)⁶¹. Elle craint toutefois que l'APV soit trop demandeur d'informations, difficiles à collecter auprès de plusieurs ministères et administrations. Le grand défi pour elle est aussi un manque de moyens pour surveiller l'activité.
- Le **renforcement des capacités**, des connaissances et dans l'organisation des acteurs du secteur forestier de Côte d'Ivoire, en lien avec l'établissement d'un processus participatif rapporté plus haut, est aussi perçu comme un acquis majeur du processus. Il comprend la création des organes de gestion du processus APV pour la partie ivoirienne (STP, CTN, Collèges, Groupes de travail thématiques⁶²) et la création d'une plate-forme de la société civile ivoirienne pour FLEGT et REDD. Les mécanismes de ce renforcement incluent également des projets spécifiques d'appui à

⁵⁸ Le travail entre ministères ne bénéficie pas toujours des synergies espérées ; selon certains les chapeaux persistent, avec des agendas parfois concurrents (p.ex. expansion de l'agriculture contre protection des forêts : promotion des cultures de cacao, y compris sur la base de terres forestières dégradées, malgré la communication du Président ivoirien en faveur du maintien d'un couvert forestier de 20%, sur note préparée par l'Environnement), laissés à l'arbitrage de la Primature.

⁵⁹ La SODEFOR est une société de développement semi-autonome créée en 1966 sous double tutelle technique (MinEF) et financière (Min. Budget). Elle est responsable de la gestion des forêts classées de l'Etat (où se situent également la majorité des plantations). Totalisant plus de 4 millions ha (11% du territoire), les 231 FC présentent un degré élevé de dégradation (du fait des invasions agricoles surtout) et fournissent moins de 10% de la production totale. La SODEFOR a un objectif de protection, plus que commercial, sous financements bailleurs.

⁶⁰ La participation très limitée de la SODEFOR dans les travaux techniques jusqu'au mois de juin a pesé dans les réflexions sur les forêts classées, pour la grille de légalité et pour le SVL. Aucune procédure (manuel/ règles/ bordereaux/ exemple de contrat) de la SODEFOR n'avait jusque-là été mis à la disposition du CTN.

⁶¹ Projet WCF (Wild Chimpanzee Foundation) « Développement d'une stratégie d'OIM de l'aménagement forestier dans une forêt classée avec la société civile et les communautés », Programme UE-FAO-FLEGT, 2014-2015, 130 000 USD (Rapport 1 de mission d'OIM : Bloc 21, avril 2012/sept. 2014 ; analyse documentaire et investigations de terrain, de vérification du respect des normes et procédures par les deux acteurs à l'œuvre dans la gestion de la FC du Cavally : la SODEFOR et l'opérateur privé STBC) ; 2^e phase : Projet WCF « Consolidation des acquis des communautés sur l'OIM dans la Forêt Classée du Cavally et montrer les bénéfices de cette approche dans la gouvernance forestière en Côte d'Ivoire », Programme UE-FAO-FLEGT - A la signature - 124 000 USD (cette 2^e phase fait encore l'objet de discussions entre l'ONG et la SODEFOR – laquelle n'était pas favorable à la poursuite de l'OIM dans la même forêt – et aura de ce fait une durée réduite, d'environ 7/8 mois au lieu des 12 mois prévus).

⁶² Secrétariat Technique Permanent (STP) ou « Coordination FLEGT », Comité Technique de Négociation (CTN), Collèges (Administration, Secteur privé, Société civile, Chefferie traditionnelle), Groupes de travail thématiques multi-acteurs (Définition Légalité et SVL, Marché domestique, Transparence)

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l'Administration, à la société civile⁶³ et au secteur privé⁶⁴, ainsi que des ateliers et des études pour une meilleure connaissance du secteur national : industrie, exportation, marché domestique (sous financements UE, FAO, Etats Membres ; et EFI contribuant sous forme d'expertise par la participation d'experts EFI à certains ateliers). L'apprentissage par les acteurs, de par leur participation-même au processus FLEGT, jouerait aussi un rôle important.

- **Le développement du texte de l'APV et du Système de Vérification de la Légalité (SVL)** de l'APV n'est encore perçu positivement que par une minorité d'acteurs. Il a pour l'instant abouti : (1) à la définition du Champ d'application (Annexe I du futur APV) en termes de produits, sources et destinations, (2) à l'introduction de l'Observation Indépendante Mandatée (OIM), et (3) à des avancées en matière de transparence des informations^{65,66}. Mais la faiblesse des progrès enregistrés au cours des douze derniers mois dans ces développements est très largement évoquée comme le point le plus négatif par les parties prenantes consultées (même si le retard global du processus, par rapport à la feuille de route, n'est pas évoqué en tant que tel comme un problème par la partie ivoirienne).
 - Le développement de la **Grille de légalité (GL)** et des **procédures de contrôle** pour une mise en œuvre opérationnelle de la vérification de la légalité sur le terrain souffre de retards importants⁶⁷ ; voir plus bas l'examen des causes et la discussion sur l'opérationnalité de la GL dans l'approche actuelle.
 - Les principes généraux du **Système de Traçabilité** ont été transmis aux évaluateurs⁶⁸. « Le guide présente la situation actuelle des procédures de traçabilité du bois en Côte d'Ivoire et propose un système de traçabilité du bois fonctionnel et efficace » (p.3). Le chapitre 1.3 (Défis liés à la traçabilité) fixe de très nombreux objectifs pour la traçabilité. Le chapitre II (ETAT DES LIEUX DU SYSTEME DE SUIVI DE L'EXPLOITATION A LA COMMERCIALISATION DU BOIS EN VIGUEUR) décrit un système traditionnel (documents « papier ») d'identification et de marquage des produits et de comptabilité forestière le long de la chaîne de transformation. Le système de suivi réglementaire comporte un contrôle mensuel des entrées-sorties usines⁶⁹. Il est toutefois précisé que le Guide de

⁶³ Notamment : Projet FERN-CUA-UFEMCI « Renforcement des capacités permettant la participation efficace d'une plateforme légitime, neutre et représentative de la société civile ivoirienne au processus de négociation de l'APV FLEGT », UE, 2014 ; Projet SOS Forêt « renforcement des capacités des acteurs de la société civile sur le processus APV-FLEGT », Programme ACP FLEGT, 2014, 100 000 USD

⁶⁴ Projet SPIB/ATIBT « Renforcement des capacités des associations professionnels du secteur privé forestier ivoirien afin de permettre une meilleure intégration de ce dernier dans le plan d'action FLEGT en général et dans les négociations de l'APV de leur pays en particulier », UE, 2014-2016, 413 834 euros

⁶⁵ Résultats partiels du Groupe thématique 3 (Stratégie de communication & Informations à rendre public) : Draft de stratégie de communication, disponible ; Plan d'action, disponible ; Draft des informations à rendre publiques, disponible.

⁶⁶ Même si, pour certains acteurs, ces deux derniers éléments ne sont pas à proprement parler les résultats du développement du SVL.

⁶⁷ Résultats partiels du Groupe thématique 1 (Définition de la Légalité & Système de Vérification de la Légalité) : Achèvement des *principes 1, 4, 5 et 6* de la grille de légalité ; Début des réflexions sur les *principes 2, 3 et 7* de la grille de légalité ; Renforcement des capacités sur le développement du SVL (par le groupe Ata Marie) ; Travaux sur le SVL pour les *principes 1, 4, 5 et 6* en cours ; Travaux sur la traçabilité en cours. Par rapport à l'historique fourni en annexe, il est précisé que les travaux du CTN sur la grille de légalité ont commencé plus tôt, début 2014, avec une première discussion avec la CE et EFI en février sur une ébauche de grille.

⁶⁸ Projet ACP-FLEGT (PO 288 193) : Préparation aux négociations d'un APV en Côte d'Ivoire, Etat des lieux participatif sur la légalité du bois et de sa vérification - Guide de traçabilité des bois exploités en Côte d'Ivoire - © Décembre 2012.

⁶⁹ Les évaluateurs relèvent que le Guide ne décrit pas à ce stade un système centralisé – dont l'expérience des autres APV suggère l'importance –, alimenté par les déclarations des opérateurs forestiers et assurant une traçabilité "retour à la souche", par une mise en œuvre rigoureuse sur le

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traçabilité a été développé avant le démarrage des négociations de l'APV et que le système national de traçabilité envisagé par la Côte d'Ivoire n'a pas encore été discuté au cours des négociations de l'APV avec l'UE.

- Des avis sur les **causes objectives de retard** dans la mise en œuvre du processus ont été recueillis, certains acteurs s'exprimant ouvertement sur ces sujets y compris lors des ateliers.
 - La cause principale la plus souvent avancée est l'**absence de textes d'application du nouveau Code forestier**⁷⁰ (cf. QE 5, Gouvernance forestière) - une action MINEF/AFD est en cours pour y remédier : comité de validation créé en février 2015⁷¹, cabinet de rédaction des textes en cours de sélection, et termes de référence des consultants attendus par le CTN. Le transfert de la propriété de l'arbre au propriétaire foncier pose également des problèmes de validation des titres de propriété et de transition entre les anciens et les nouveaux permis. Il est toutefois jugé « souhaitable – dans la mesure du possible - de ne pas lier l'avancement des discussions FLEGT à la mise en œuvre de la réforme foncière »⁷².
 - Le **manque de disponibilité** (absence de personnel dédié, manque de temps alloué, accaparement par d'autres tâches) **et de moyens** (manque de moyens de déplacement pour se rendre en réunion ; remboursements tardifs) entraîne de l'absentéisme et une perte de motivation pour certaines parties prenantes, qui se traduisent par une participation insuffisante au travail FLEGT. De fait, il y a une demande quasi-générale de financement additionnel des capacités et activités des organes APV et des parties prenantes en effectifs, disponibilité, moyens, et formation.
 - La subsistance d'un certain **manque de capacité** est aussi assez largement regrettée. Le niveau de préparation initiale de certains individus dans les groupes de parties prenantes, jugé limité (expertise sur les questions traitées, capacité d'analyse), constitue un frein à la compréhension et à la contribution effective de celles-ci. En particulier, la mobilisation de la société civile ivoirienne a été, et reste relativement faible en comparaison à d'autres pays (la destruction des forêts a eu lieu il y a 20 ans déjà et n'était plus un sujet prioritaire pour la société civile) de même que sa maîtrise du cadre légal. L'apprentissage sur le tas ("*learning by doing*") permet dans une certaine mesure de combler les lacunes, ce pour quoi il est estimé par certains acteurs qu'il faut donner

terrain, par des contrôles de cohérence des données poussés, intégrés dans le système, et par des vérifications de terrain efficaces ; et un système impérativement informatisé pour fournir la traçabilité ascendante par produits ainsi que les autres possibilités d'analyse qui sont attendues du système selon le Guide, avec un contrôle des entrées-sorties usines pratiqué, grâce à l'informatique sur des périodes courtes et/ou par contrat afin de fournir une filiation plus fine des produits (de l'arbre à la bille, des billes aux colis de sciage, etc.) et des contrôles de cohérence plus fins.

⁷⁰ La Côte d'Ivoire est présentée comme un « vaste chantier » : nouveaux codes forestier (CF), foncier, minier... Le nouveau CF va changer beaucoup de choses, mais c'est tout un système à clarifier : 40 décrets attendus.

⁷¹ Nom exact: 'Comité d'Evaluation des avant-projets de textes relatifs à l'application du code forestier'

⁷² « Le risque étant de retarder d'au moins une décennie la mise en œuvre de l'APV » (Etude CIFOR-FAO - Le marché domestique du sciage artisanal en Côte d'Ivoire, juin 2015)

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du temps au processus et que, à cet égard, la suspension de l'Assistance technique depuis janvier 2015 a affecté cette évolution.

- Le **manque de volonté politique** a été écarté par l'Administration comme facteur possible de retard (voir toutefois QE 4).
- Des **dysfonctionnements du processus participatif** sont par ailleurs signalés.
 - L'inadaptation du **mode de financement du CTN**, entre dates d'ouverture (mars/avril) et de clôture (octobre/novembre) du budget annuel.
 - Le **cumul de fonctions du Point focal national FLEGT** actuel (également nommé Directeur de cabinet du ministre) implique une disponibilité très réduite de celui-ci pour organiser et suivre les travaux, ce qui participe à la lenteur de l'avancée du processus. La nomination d'un remplaçant ou d'un délégué est toutefois envisagée.
 - **Travail préparatoire insuffisant par les groupes et collègues** pour définir les positions et contributions de chaque groupe d'acteurs avant les réunions du CTN, largement ressenti comme résultant des efforts insuffisants des parties prenantes (question de disponibilité, de capacité, de motivation et de moyens, mais aussi de leadership⁷³). Le sentiment est de ne pas avancer entre deux réunions : « dossier pas ouvert entretemps ; le travail reprend là où il a été laissé ». Aux yeux de certains, « les réunions avec la CE agissent comme des coups d'accélérateurs, mais l'élan n'est pas maintenu entre deux pour que les réunions soient plus techniques ». L'impulsion de l'**Assistance technique** (absente pour environ 12 mois, jusqu'à janvier 2016) et celle du PFN manquent ; la Facilitation, dans l'appui qu'elle fournit pour la préparation des travaux des groupes et collègues, a un rôle important dans la recherche de consensus.
 - Une recommandation de la partie européenne pour accélérer le travail technique sur le SVL est de confier celui-ci à un **petit groupe d'experts**, recevant pour chaque partie les instructions du « groupe élargi » (STP, CTN) et lui soumettant un projet pour révision et commentaires en vue de sa validation ; il est en effet jugé qu'un processus itératif d'écriture et de révision par des experts individuels est plus efficace qu'une écriture « à plusieurs mains ».
 - Le fonctionnement des instances APV par consensus ne constituerait pas un frein significatif à la progression du travail et à la prise de décision. Consensus ne signifie pas toujours unanimité ; les divergences sont notées, et en CTN le Point focal s'attache à défendre la ligne qui représente le mieux les différentes positions.

⁷³ Selon certains acteurs, les responsables des Collèges ou des Groupes de travail n'ont quelquefois pas la compétence technique voulue (postes honorifiques) ; ou ils ne viennent pas ou se font représenter (par un non-décisionnaire). « Les grands responsables doivent s'impliquer (en travaillant), s'isoler, et dédier si nécessaire des journées entières, pas 1 heure de réunion ! »

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- S'agissant des **relations entre parties ivoiriennes et européennes**, pour certains « il y a une tendance des personnes d'appui externes (experts européens/internationaux intervenant en Côte d'Ivoire) à imposer des points de vue (y compris dans le fonctionnement même des collèges, en principe autonomes), au lieu de soutenir sans chercher à gérer ni s'immiscer ». Il a toutefois été clarifié, en atelier, que les appuis techniques possiblement visés par ce propos – s'agissant de la Facilitation, de l'Assistance technique, et de la coordination de la société civile - ont tous été demandés par la partie ivoirienne et qu'ils sont pleinement utiles et justifiés.
- La **DUE**, quant à elle, n'a pas de rôle moteur dans la négociation. Elle tient à rester neutre, non décisionnaire, agissant seulement en représentation de Bruxelles et en interface avec les organes APV en Côte d'Ivoire. Elle réalise un suivi pour observation et facilitation. Elle assure la gestion des contrats financés par l'UE. Serait-elle partie au contrat pour la fourniture de biens et services dans le cadre de l'APV ? Le 11^e FED à venir ne prévoit pas de ligne de soutien direct à FLEGT en Côte d'Ivoire.

Selon les commentaires recueillis auprès du secteur privé ivoirien⁷⁴, les faiblesses de FLEGT incluent : « - conception sans associer les pays producteurs, mariage déséquilibré ; - APV réellement volontaire ? ; - exigences fortes, mais mesures d'accompagnement faibles (certification difficile [voir DA4] ». D'autres acteurs insistent sur le fait qu'à leurs yeux « le pays partenaire doit rentrer dans le cadre » et que « c'est bien la CE qui a le dernier mot ».

Conclusion : Il y a pour certains acteurs la perception (1) d'un déséquilibre sensible entre les parties et (2) que l'UE est finalement en position dominante dans la négociation de l'APV. La phase de négociation, jusqu'à la signature de l'APV et la phase de mise en œuvre de l'APV se chevauchent largement en Côte d'Ivoire avec notamment le travail effectué en amont sur la Grille de légalité* et le Système de traçabilité, d'où des ambiguïtés et frustrations possibles sur le caractère « négociable » de l'APV et du SVL.

* Voir la Note 2 à la fin du point suivant

- Un facteur non spontanément cité par les participants aux ateliers est le fait que la Côte d'Ivoire se relève d'un grave conflit politico-militaire interne (2002-2011), lequel pourrait impliquer une certaine fragilité des institutions et un risque latent pour l'unité du pays. Selon un commentaire recueilli, le pays est toutefois apaisé et confiant.

⁷⁴ Et mentionnés comme déjà exprimés par celui-ci lors de la FLEGT Week 2015 à Bruxelles, sur les faiblesses de FLEGT ; incluant par ailleurs l'avis que « il manque la boussole du développement : un plan d'aménagement du territoire » et le sentiment que « les périmètres d'exploitation sont victimes d'agressions multiples ».

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- Selon certains, "la Côte d'Ivoire recevrait beaucoup moins d'appui que d'autres pays APV, Cameroun et autres ; et « le moindre volume de bois n'est pas accepté comme une raison valable » (c.à.d. une portion significative des coûts de mise en place d'un APV étant fixes, quelque soit le volume). La CE estime pourtant avoir mis assez de moyens en œuvre⁷⁵, et attend en retour des résultats tangibles en vue de la mise en opération de l'APV.

Les enquêtes effectuées dans le cadre de la présente évaluation fournissent à cet égard une rapide comparaison de la prise en compte respective des aides reçues ou allouées par les parties. La "MS Survey" (effectuée auprès des Etats membres) mentionne le chiffre de **9,4 M€** pour l'aide UE et Etats membres (lequel inclut notablement un apport de la France pour 8,3 M€⁷⁶, 0,4 M€ de l'Allemagne pour l'Assistance technique, et 0,7 M€ de la CE pour les projets de renforcement secteur privé et société civile, mais ne comprendrait pas la Facilitation financée par le Royaume-Uni pour 2013-16 (un contrat pour 4 pays dont la Côte d'Ivoire, pour 4 M€ au total, ni nombre d'interventions multi-pays, ni l'aide de la France pour "Intégration de la filière des bois tropicaux dans les mécanismes FLEGT et REDD+" de 1,5 M€ pour 6 pays dont la Côte d'Ivoire). La "VPA Survey" (effectuée auprès des pays APV) mentionne seulement un montant total de **1,0 M€** pour les aides reçues par la Côte d'Ivoire (soit 0,65 M\$ au titre de "*Information sessions, Consultation/participation, Negotiation sessions, LAS, Independent obs., Domestic market*", et 0,4 M€ pour "*Support PS*", le tout pour la seule phase de négociation en cours).

La Figure 4 fournie au Chapitre 5.3 dans le rapport principal de la présente évaluation indique que parmi les pays APV le Laos, la Malaisie et la RDC ont reçu moins que la Côte d'Ivoire, et que les autres ont reçu davantage (parmi lesquels Cameroun, Congo, Ghana, Indonésie et Liberia sont toutefois en phase de mise en œuvre de leur APV).

AA 2 (commerce du bois) RBUE vs. APV

- **Instruments de contrôle du commerce du bois.** En rapport avec le point développé plus loin (QE 4) sur la complexité présumée de FLEGT, certains expriment leur crainte en termes de « Il n'y aura jamais de Licences FLEGT sur le marché ».

Conclusion : S'il s'avérait que le SVL en cours de développement en Côte d'Ivoire⁷⁷ ne doit faire aucune distinction de degrés dans les non-conformités⁷⁸, et s'il était appliqué de manière à la fois monolithique (du point de vue de la légalité) et binaire (quant à la conclusion de la vérification et à l'implication de celle-ci) - c.à.d. que le bois est soit (a) légal et peut être exporté, soit (b) illégal et ne peut pas être exporté -, on pourrait craindre que l'applicabilité du système soit

⁷⁵ La Côte d'Ivoire est, par exemple, l'un des seuls pays APV où AT et Facilitation ont été mobilisées par l'UE dès le début du processus.

⁷⁶ Appui au Ministère des Eaux et Forêts ivoirien : Etat des lieux des forêts classées, définition et suivi de la mise en œuvre d'une politique de gestion sociale des forêts, appui à l'élaboration et à la mise en œuvre d'un nouveau dispositif contractuel pour la restauration des écosystèmes forestiers, appui à la négociation d'un accord de partenariat volontaire sur FLEGT, 2013.

⁷⁷ Essentiellement le contrôle de la légalité, mais la question doit être posée également pour la traçabilité.

⁷⁸ Le PFN cite les exemples « activité clandestine (sans statut ni autorisation) » vs. « retard dans le contrôle technique du véhicule ». Une réflexion, pas encore documentée, serait en cours par EFI sur les non-conformités.

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compromise. Dans ce cas, l’APV passerait alors à côté de l’objectif du Plan d’Action FLEGT d’utiliser la licence FLEGT comme mécanisme de contrôle du commerce basé sur l’exigence de légalité du bois. Il y a lieu de préciser à cet égard que les questions concernant la gestion des non-conformités et leur implication précise en termes de délivrance des autorisations FLEGT n’ont pas encore été discutées dans le cadre des négociations APV. Voir également QE 4.

- Le secteur privé ivoirien se dit « satisfait du **Règlement Bois de l’Union Européenne (RBUE)** tel qu’expérimenté depuis son entrée en vigueur en mars 2013 : il n’empêche pas d’exporter en Europe ! ». Le RBUE est jugé « peu prescriptif, laissant de la place à l’appréciation » ; il estime que « la RCI bénéficie d’une Administration forte, [que] la fourniture de documents vérifiables et crédibles n’est donc pas un problème ; [et que] les exportateurs ne manquent pas de guidance (SPIB + ATIBT - échanges améliorés depuis novembre 2014) ».

AA 3 - Marchés publics

- Aucune information sur le développement de règles de marchés publics en faveur d’achats de bois légal ou légal et durable (certifié) en Côte d’Ivoire n’a été recueillie par les évaluateurs, ni sur l’impact sur les exportateurs ivoiriens du développement de telles règles en Europe.

AA 4 - Initiatives du secteur privé

- Le secteur privé ivoirien estime que la certification est difficile à appliquer en Côte d’Ivoire, du fait notamment que l’aménagement forestier y est faible : 80% du marché est alimenté par le monde rural, non réglementé et complexe. On peut voir là une contradiction avec ce qui est dit plus haut à propos du RBUE (« la fourniture de documents vérifiables et crédibles n’est pas un problème »). Peut-être faut-il toutefois expliquer cette situation par la coexistence de deux situations différentes contrastées, l’une concernant la production de bois pour exportation vers l’UE, l’autre la production pour les autres marchés export et pour le marché domestique, cette dernière nettement moins régulée.
- De fait, aucune société forestière n’est certifiée (FSC/PEFC) en Côte d’Ivoire. Mais plusieurs sociétés membres du SPIB sont certifiées OLB⁷⁹, ce qui fait dire à certains que la certification est malgré tout possible.
- Selon un commentateur, « FLEGT peut être vu comme une certification nationale » (validant un degré de performance du pays en termes de gouvernance). Il n’est pas clair toutefois si ce commentaire traduit une réalité existante ou bien une suggestion pour l’avenir de FLEGT⁸⁰.

AA 5 - Financement et investissement

- Les évaluateurs n’ont recueilli aucune information à rapporter dans ce domaine d’action du Plan (diligence du secteur bancaire et des bailleurs dans l’octroi de prêts au secteur forestier).

⁷⁹ Certification privée dite « de légalité », selon le label ‘Origine et Légalité du Bois’ (OLB) délivré par Bureau Veritas

⁸⁰ Laquelle rejoindrait certaines recommandations de la présente évaluation.

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AA 6 - Instruments législatifs existants

- Les évaluateurs n'ont pas recueilli d'informations sur un possible soutien au plan d'action à l'aide d'instruments législatifs ou conventions existants⁸¹, notamment sur le fonctionnement de la CITES en Côte d'Ivoire.

QE 4 (gestion de la mise en œuvre et coordination) :

- Une autre cause majeure possible évoquée par certains acteurs, pour expliquer le retard constaté dans l'avancement du processus APV Côte d'Ivoire est la **difficulté générale de mise en œuvre de l'APV** (y compris le développement des annexes de l'APV et des éléments du SVL) ressentie par ces acteurs, laquelle impacterait la définition de certains éléments dès la phase de négociation de l'APV. Ce facteur de retard n'a pas été évoqué explicitement dans les réponses aux questionnaires soumis aux participants lors de l'atelier de lancement de l'évaluation, mais il est souvent implicite (importance du travail à accomplir, difficultés techniques, manque de capacités etc.) ; il a été abordé plus explicitement dans les rencontres bilatérales avec différents groupes ou acteurs-clés (DUE, Secteur privé, PFN) sous différents angles :
 - La **longueur du processus** génère une lassitude (mêlée de déception, incompréhension, et frustration) parmi les acteurs qui provoque des retards et augmente, à son tour, la durée du processus (du fait de la démotivation des acteurs), selon un cercle vicieux.
 - Le **niveau d'exigence de l'APV FLEGT** en cours de négociation en Côte d'Ivoire est perçu comme étant trop ambitieux (i) dans l'absolu (« On passe d'un extrême (aucune question) à l'autre (100% d'assurance) »), mais aussi par rapport (ii) au RBUE (tel qu'actuellement mis en œuvre) et (iii) à la Chine (perception « que la Chine reste en dehors de tout contrôle »).
 - La **complexité du SVL**, le **manque de progressivité** dans sa mise en œuvre (contrairement à une approche par phases), et le **manque de gradation dans les infractions** sont évoqués. Les évaluateurs ont pu constater que la Grille de légalité en cours de développement (version CTN 05 mai 2015) ne crée pas de lien avec les sanctions applicables ni de hiérarchisation dans les exigences et dans les infractions correspondantes. Le travail en cours sur les Vérifications de Légalité (version travaux groupe SVL 10 juin 2015) introduit⁸² un critère "Conséquence de non-conformité", indiquant la sanction prévue dans la réglementation mais pas l'incidence de la non-conformité (ou de sa conséquence) en termes FLEGT. EFI a toutefois précisé à cet égard que cette étape est prévue ultérieurement lors de la discussion sur le "licensing".

⁸¹ Incluant mesures anti-blanchiment, la CITES, et autres législations ou conventions, telles que p.ex. la législation sur les biens volés ou la convention de l'OCDE sur la lutte contre la corruption.

⁸² En plus de : Principe, Critère, Indicateur, Vérificateur(s), Réf. légales, Durée Validité, Resp. Délivrance, Fréquence Délivrance, Résumé de la procédure, Resp. Vérification, Fréquence Vérification, Résumé de la procédure de contrôle, et Recommandations Révision cadre légal.

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Note de discussion, conclusion et recommandation sur l’intégration de la Grille de légalité dans le texte de l’APV : Le travail sur la Grille de légalité en Côte d’Ivoire est effectué en amont de la signature de l’APV, en vue d’intégrer cette Grille dans le texte de l’APV, comme cela a d’ailleurs été le cas pour la définition de la légalité dans tous les APV signés jusqu’alors, selon EFI. Les évaluateurs ont vérifié cela pour l’APV Cameroun. La définition de la légalité est un élément central de tous les APV, comme expliqué dans le ‘FLEGT Briefing Note 02’ de la CE de 2007⁸³. On peut toutefois se demander si cette Briefing Note prescrit l’intégration, dans le texte de l’APV à négocier, de la définition de la légalité *en tant que simple liste des lois et réglementation nationales applicables* ou si cela concerne également le développement de la, ou des Grille(s) de légalité *détaillé au niveau critères et indicateurs*. A cet égard, les prescriptions de la Briefing Note comme quoi *"There must be clear tests of evidence (i.e. criteria and indicators) to determine compliance with each law or regulation ;"* et *"There should be practical ways to carry out such tests in the field."* apparaissent en fait au chapitre ‘4 Implementing a definition of legality’ et non pas aux chapitres précédents ‘2 What should be included in a legality definition?’ et ‘3 Developing a legality definition’, ce qui semble indiquer que ces détails font partie de la mise en œuvre de la grille et non de son développement. L’intégration de la définition de la légalité à ce niveau de détail n’était pas non plus une prescription de la Proposition de la CE pour un Plan d’Action FLEGT du 21.05.2003⁸⁴. Les acteurs ivoiriens indiquent que le niveau requis de développement des éléments du SVL pour pouvoir signer l’APV est fixé par la Feuille de route⁸⁵, et que la Côte d’Ivoire aurait opté pour une phase de négociation plus longue et une phase de mise en œuvre plus courte (pour plutôt régler les problèmes en amont, contrairement aux autres APV où il est perçu que de nombreux problèmes apparaissent au cours de la mise en œuvre)⁸⁶. Toutefois, l’accumulation des retards dans le processus en Côte d’Ivoire fait craindre pour le respect des échéances fixées (signature de l’Accord en 2017). Pour illustrer l’importance potentielle du travail de développement des grilles de légalité: les tableaux des critères, indicateurs et vérificateurs des GL 1 à 8 de l’APV Cameroun occupent 45 pages de celui-ci ; de plus, tous les critères et indicateurs [devront auparavant avoir] été analysés et testés sur le terrain pour toutes les grilles de légalité. Le Congo a développé l’ensemble des annexes de son APV en seulement 9 mois ; toutefois celles-ci ont du faire l’objet de révisions et de tests par la suite. Il est possible de reporter au moins une partie du travail après la signature de l’APV, puisqu’au Cameroun “[quatre] autres grilles de légalité seront produites au cours de la phase de

83 Lien : https://ec.europa.eu/europeaid/sites/devco/files/publication-flegt-briefing-note-series-2007-2-200703_en.pdf

84 Le Règlement (CE) No 2173/2005 du Conseil du 20 décembre 2005 stipule seulement - Attendu (6), Article 2 (10) -, que « Dans le cadre du régime d’autorisation, certains bois et produits dérivés exportés à partir d’un pays partenaire et entrant sur le territoire de la Communauté (...) devraient être accompagnés d’une autorisation délivrée par le pays partenaire, attestant que les bois et produits dérivés sont issus de bois récoltés légalement dans le pays ou de bois importés légalement dans un pays partenaire conformément à la législation nationale spécifiée dans l’accord de partenariat concerné », ce qui ne semble pas impliquer le développement de grilles de légalité complètes dans l’APV.

85 Dans sa mise à jour de juin 2014, la Feuille de route indicative pour les négociations d’un APV/FLEGT entre la Côte d’Ivoire et l’Union Européenne prévoit effectivement que le travail sur la définition de la légalité (références légales, vérificateurs) et les tests de terrain seront conclus et validés lors de la Session de négociation formelle prévue en Mai 2015 [note : laquelle ne s’est pas encore tenue] et en tout état de causes avant la Validation de l’APV/FLEGT avec ses annexes et la Signature de l’APV prévues en 2017.

86 L’approche choisie en Côte d’Ivoire vise en effet à intégrer le maximum d’enseignements des autres processus APV, pour développer et signer un accord le plus réaliste et applicable possible dans le contexte de la Côte d’Ivoire (DUE).

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mise en œuvre du système". En Côte d'Ivoire, la longueur des travaux sur la grille est aussi liée à la faiblesse du cadre légal existant, à la nécessité de révision de ce cadre en parallèle des négociations, et à l'absence de progrès rapides à ce niveau ; la difficulté du travail est aussi exacerbée par le manque de capacités. L'alternative serait donc de reporter le travail technique sur la Grille de légalité après la signature de l'APV pour réduire le risque d'enlisement du processus (au-delà des échéances fixées, avec les effets négatifs que cela pourrait engendrer pour le processus en Côte d'Ivoire et pour FLEGT en général) et de n'inclure dans l'APV à signer que la liste des lois et réglementation nationales applicables.

Note de discussion, conclusion et recommandation sur les risques liés à une conception monolithique de la Grille de Légalité et une application binaire du SVL (légal/illégal) : comme observé plus haut, la Grille de Légalité, à son stade actuel de développement en Côte d'Ivoire, est de nature « monolithique » (absence de hiérarchisation dans les exigences et dans les infractions correspondantes). A ce stade, la crainte exprimée par certains acteurs en Côte d'Ivoire est donc que le SVL soit aussi appliqué de façon binaire (le bois est soit (a) légal et peut être exporté, soit (b) illégal et ne peut pas être exporté). Afin de vérifier les facteurs qui peuvent motiver cette crainte, les évaluateurs ont observé l'exemple d'un APV plus avancé, actuellement en phase de mise en œuvre : celui de l'APV Cameroun (les extraits sélectionnés figurent en Annexe 4 du présent Aide-mémoire).

- **Approche « 100% conforme ou rien »** de l'APV Cameroun : Le bois est considéré légal s'il a été produit ou acquis en *pleine conformité avec l'ensemble des lois et règlements applicables* ; le **système d'Assurance légalité (LAS)** est un moyen viable de *distinguer des produits forestiers d'origine licite de ceux d'origine illégale* [c.-à-d. que *le bois est 100 % légal ou il est illégal*] ; *pour qu'un indicateur soit "conforme", tous les vérificateurs associés doivent être jugés conformes* [ce qui signifie 100% de conformité jusqu'au niveau le plus détaillé de vérification] ; seul le bois produit ou acquis de manière légale *est en circulation* et peut *recevoir une autorisation FLEGT* en cas de besoin ; et seules les expéditions vérifiées comme telles sont *exportées vers l'Union* ; la *délivrance d'un "certificat de légalité"* constitue l'un des préalables à la délivrance d'une autorisation FLEGT et ne pourra s'envisager *que si tous les indicateurs sont conformes*.

La transposition de cette approche "tout ou rien" en Côte d'Ivoire pourrait justifier la crainte des acteurs. EFI a toutefois apporté les clarifications utiles suivantes :

La question sera en fait de déterminer comment sont gérées les non-conformités dans le SVL, comment les statuts de légalité/illégalité d'un opérateur sont établis pour informer le processus d'émission des autorisations FLEGT, notamment en prenant en compte les exigences actuelles du cadre légal ou en l'adaptant dans le cadre de l'APV avec des mesures de « mise en conformité », telles que des actions correctives à mettre en œuvre dans des délais définis sans impact formel sur le statut légal de l'opérateur. Par exemple, dans certains cadres juridiques nationaux, la mise en demeure d'un opérateur pour une non-conformité est une première étape qui précède l'émission d'un procès-verbal au cas où les mesures correctives prescrites par

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la mise en demeure n'ont pas été suivies. Dans cet exemple, c'est bien le procès-verbal et non la mise en demeure qui impacterait sur le statut légal de l'opérateur et la décision d'émission d'autorisation FLEGT.

L'APV n'introduit donc pas automatiquement de nouvelle complexité, ou de difficulté par rapport à « l'accessibilité » du niveau de conformité pour les opérateurs. Au contraire, un APV et son SVL permettent de clarifier le cadre juridique, s'assurer que le traitement des non-conformités détectées soit décrit de manière explicite et cohérente pour toutes les exigences légales, et soit assez flexible mais aussi strict pour permettre une réelle amélioration des pratiques à long terme.

Enfin, « 100% légal » ne signifie pas que des phases/étapes ne sont pas possibles avant que le bois soit déclaré « illégal ». En fonction de la loi en vigueur (et/ou de la grille de légalité, si de nouvelles exigences sont introduites), un indicateur peut-être jugé « conforme » (rendant donc possible de ce point de vue la délivrance de l'autorisation FLEGT) avec pourtant un ou plusieurs des vérificateurs associés « en cours de mise en conformité » (ex. processus de mise en demeure).

Il semble important pour la poursuite du processus en Côte d'Ivoire que ces clarifications soient apportées aux acteurs du processus.

- De fait, la Côte d'Ivoire est réputée avoir adopté le plus long plan de négociation (Feuille de route) d'un APV (5 ans, 2013-2017) à ce jour.
 - L'UE aurait réagi en demandant à la Côte d'Ivoire de prendre des **mesures conservatoires pour protéger les forêts** dans l'intervalle (DUE).

Les évaluateurs ont été informés de mesures prises⁸⁷ : 2 mesures concernent la dotation de moyens humains et matériels supplémentaires pour le contrôle forestier, 3 mesures concernent la protection d'une essence menacée, le bois de vène (*Pterocarpus spp*), 1 mesure porte interdiction d'exploitation au nord du 8ème parallèle, et 1 mesure porte interdiction du sciage à façon. Les évaluateurs n'ont pas collecté d'analyses sur la portée de ces mesures, dont on peut toutefois douter qu'elles suffisent à elles-seules à protéger efficacement les forêts. La Côte d'Ivoire s'est également engagée à commencer à travailler sur la **mise en œuvre du SVL**, afin de raccourcir autant que possible la période qui suit la conclusion de la négociation (voir plus haut les commentaires sur les

⁸⁷ Les mesures qui ont été prises: 1) affectation de 978 nouveaux agents sur le terrain, en 2014, dont 300 agents à la SODEFOR, 177 agents à l'Office Ivoirien des Parcs et Réserves (OIPR) et 501 agents dans les directions régionales du Ministère des Eaux et Forêts, 2) Equipement des services de terrain avec 14 nouveaux véhicules et 52 motos en 2014. 10 véhicules et 140 motos sont en cours de livraison en 2015, 3) Prises de textes réglementaires dont: (a) Décret N°2013-508 du 25 juillet 2013 portant interdiction de l'exploitation, de la coupe, du transport, de la commercialisation et de l'exportation du *Pterocarpus spp*, (b) Arrêté N°38/MINEF du 31 janvier 2012 portant interdiction de l'exploitation et l'exportation de *Pterocarpus spp*, (c) Arrêté N°628/MINEF/DGEF/DPIF du 28 juin 2013 portant interdiction d'exportation de *Pterocarpus spp*, (d) Décision N°753/MINEF/DGEF/DPIF du 26 septembre 2013 portant annulation des autorisations de coupe d'essences de forêts naturelles de petits diamètres, les cahiers de charge y afférents et les protocoles d'accord pour le ramassage et l'achat aux enchères du *Pterocarpus spp*, (e) Décret N°2013-816 du 26 novembre 2013 portant interdiction de l'exploitation, de la coupe, du transport, de la commercialisation et de l'exportation des bois d'œuvre et d'ébénisterie de forêts naturelles prélevés au-dessus du 8ème parallèle, (e) Décret N°2013-815 du 26 décembre 2013 portant interdiction du sciage à façon. (Communication du Ministère)

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conséquences présumées de ce choix, en termes de difficulté et longueur excessives du processus et de confusion sur la nature de la « négociation »).

- La Côte d'Ivoire s'est également engagée à commencer à travailler sur la **mise en œuvre du SVL**, afin de raccourcir autant que possible la période qui suit la conclusion de la négociation (voir plus haut les commentaires sur les conséquences présumées de ce choix, en termes de difficulté et longueur excessives du processus et de confusion sur la nature de la « négociation »).
- Concernant le point particulier de la transition de l'ancien au nouveau code forestier, le rapport de la 2ème session de négociations contient : « Face aux préoccupations exprimées par la partie européenne relatives à l'exploitation abusive de la ressource durant la phase de transition, la partie ivoirienne a précisé que celle-ci sera la plus courte possible. Les deux parties se sont accordées sur la nécessité de définir et réglementer les modalités de la transition du régime actuel à celui introduit par le nouveau code en lien avec le code foncier. »
- La **sensibilisation** des acteurs du secteur forestier, et la transparence des **informations**, notamment par des actions de **communication**, sont largement perçues par l'ensemble des parties prenantes consultées lors de l'atelier de lancement de la mission comme *l'un des effets positifs majeurs du processus APV en Côte d'Ivoire*. Le processus a généré une prise de conscience collective sur les réalités du commerce légal/illégal des bois, sur la nécessité de préserver et de gérer durablement la forêt ivoirienne, sur la nécessité d'une application plus effective des lois existantes, et sur les lacunes actuelles du cadre réglementaire et de son application. Plus d'attention est portée par le gouvernement au secteur bois ; un signe tangible en est l'engagement de la Côte d'Ivoire dans l'APV, même si les niveaux de priorité, d'engagement, et d'action sont jugés encore insuffisants selon les parties non gouvernementales.
- En même temps, un **manque de visibilité du processus** est assez largement ressenti.
 - La communication est jugée insuffisante, en dehors des acteurs régulièrement impliqués, pour assurer information et appropriation. Des réunions et ateliers ont eu lieu en 2011-12 dans l'intérieur du pays, et les Administrations régionales sont régulièrement informées, mais le processus reste relativement méconnu des populations. La consultation des acteurs de base (particulièrement les producteurs informels) est à renforcer ; il est clarifié que celle-ci est de la responsabilité des collègues.
 - Les projets financés par la FAO ou le programme EU FAO FLEGT intègrent une ligne publicité prenant en compte la visibilité et la communication sur le projet. Les acteurs de base sont consultés au lancement des projets ou à travers les missions de terrain et participent à l'atteinte des résultats des projets. Cependant, l'enveloppe budgétaire est jugée insuffisante au regard des coûts de communication pratiqués en Côte d'Ivoire.
 - Pour les projets financés par l'UE, il n'y a pas de livrables relatifs à la communication à travers le pays, mais l'implication des acteurs de base et les

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actions de visibilité souhaitées par le bailleur participent fortement à la réussite du projet. Il reste nécessaire de renforcer la visibilité et la communication vers les acteurs de base et à travers le pays pour un APV facilement compréhensible et applicable.

- Selon avis collecté en atelier, le Site Internet APV MINEF doit être tenu à jour⁸⁸.
- Pour une plus grande vulgarisation du processus, le Projet Amistad est en place⁸⁹ mais la stratégie de communication reste à définir, en fonction de la typologie des acteurs, et à valider avec le Comité Technique de Négociation (CTN) ; la question tarde à être traitée et des doutes sont émis sur l’efficacité du projet (« Tout reste à faire »).
- La question de la **répartition des rôles entre le Négociateur en chef (NC) et le Point focal national (PFN)** a été clarifiée⁹⁰. Le NC a un rôle politique. Il coordonne le CTN pour les séances de négociation ; le travail préparatoire sous ses ordres couvre les aspects politiques et diplomatiques. Les aspects techniques, rapports, appui aux collègues relèvent du PFN.
- Parmi les points plus négatifs, *l’insuffisante expression de la volonté politique* (termes consensuels préférés par les participants aux ateliers à ceux de « **manque de volonté politique** ») a été mentionnée par les parties non gouvernementales (mais non partagée par les administrations) traduisant un manque de visibilité, d’information et d’implication au niveau de l’action ministérielle qui pose la question du degré de priorité de l’APV pour le gouvernement, le MINEF et les autres administrations concernées. Toutefois, pour des représentants de la partie ivoirienne, l’engagement dans l’APV est intact, la volonté du ministre s’exprime par la mise en place de collaborateurs, et il n’y a aucun intérêt à retarder le processus. D’autres acteurs ont une vision nettement plus sombre : l’Administration a une grande responsabilité, elle ne semble pas pressée de faire avancer FLEGT (se satisfait du statu quo). Ces acteurs dénoncent la corruption qui préfinance les sciages « à façon » (sauvages). Selon eux, il y a un réel manque de volonté politique, et aussi un manque de transparence dans le financement des ateliers et autres, et dans l’utilisation des fonds.
- Concernant ce dernier point, et le **suivi des deux contrats en cours** subventionnés à 90% par l’UE (pour le renforcement de la société civile et du secteur privé), la DUE regrette un certain dysfonctionnement et un impact limité sur le processus, avec des progrès qualifiés de marginaux ; après la mise en place (programme de travail, objectifs) et l’avance financière initiale, le suivi annuel arrive un peu tard, et les constats et ajustements sont mal aisés.

⁸⁸ Il semble ne pas avoir été mis à jour en 2015, et seulement de manière incomplète depuis juillet 2013 (la deuxième session formelle de négociations de juin 2014 n’y figure pas).

⁸⁹ Projet AMISTAD: « Renforcement des capacités des acteurs des médias sur le processus FLEGT en Côte d’Ivoire », Programme UE-FAO-FLEGT [2015-2016, 72 567 USD]. Voir en Annexe 5 l’exemple de la couverture médiatique de la présente mission par le Projet.

⁹⁰ Le NC actuel est l’ancien Directeur de Cabinet, et le nouveau PFN est l’actuel Directeur de cabinet du ministre ; il n’a pas été fait mention d’une difficulté particulière à ce niveau dans la relation entre les deux responsables.

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- Le **rôle du secteur privé** est perçu de manière mitigée. Le secteur privé ivoirien est reconnu comme un acteur clé et moteur pour le démarrage de négociations APV (dès 2009). Ses motivations initiales visaient essentiellement (i) la préservation du potentiel forestier à terme (pérenniser la ressource, comme condition de sa survie), (ii) l’amélioration de la gouvernance forestière (touchant les activités), et (iii) la sécurisation de l’accès au marché UE (70% des exportations de Côte d’Ivoire, avec des circuits établis, difficiles à remplacer par des marchés de substitution) face au Règlement Bois encore à venir.
- De fait, le secteur privé a largement contribué au processus de négociation APV depuis 2013 (y compris Annexe I, Grille de légalité, Traçabilité). Puis l’année 2014 a vu une réduction temporaire (6 mois jusqu’en janvier 2015) de son engagement, due principalement : (i) à des difficultés sur le dossier fiscalité (redevance surface, fardeau fiscal, parafiscalité), (ii) au fait que sa participation active au processus était fortement consommatrice de temps et d’énergie (une réunion par semaine), alors que les résultats tardaient à se concrétiser, (iii) à la réalisation de ce que l’APV contient des exigences additionnelles, et (iv) à l’expérience finalement positive du RBUE après mars 2013, assurant la continuité de l’accès au marché UE même sans APV. Mais le secteur privé ivoirien dit rester favorable à l’APV ; il reconnaît la **valeur ajoutée de l’APV par rapport au RBUE**⁹¹, et se dit fortement mobilisé⁹² pour continuer à participer aux travaux FLEGT, en tant qu’opérateur concerné au premier chef par une régulation de l’exploitation de la forêt et de la production et du commerce du bois.
- Le secteur privé (industriel) se targue aussi de ne pas détruire la forêt. Selon l’un de ses représentants, « Les périmètres d’exploitation (PEF) en domaine rural sont délimités, il y a un volume de prélèvement annuel, et une obligation de reboisement respectée (2 millions de CFA ont été dépensés pour cartographier les reboisements)⁹³ ». Faille mentionnée : obligation d’entretenir le reboisement pendant 3 ans, après quoi l’Administration est censée prendre le relais ; mais « les arbres disparaissent » (le PEF n’est plus sous surveillance de l’exploitant). De fait, la protection des reboisements n’est que de 50% en forêt classée, mais seulement de 10% en domaine rural selon la SODEFOR. Le nouveau Code forestier responsabilisera le paysan, mais l’échelle de temps est très grande pour lui (par rapport à 2 ans, pour le cacao) ; une compensation est à l’étude dans REDD sous forme de paiement de services environnementaux (le barème, progressif, pour conserver les arbres devra être suffisamment incitatif).

⁹¹ Valeur ajoutée pas forcément quantifiable, mais comprenant les aspects suivants : dimension sociale et environnementale, marge d’amélioration (gouvernance, bien-être des populations, y c. le respect des contributions dus aux populations locales) ; le fait que la certification [associée au RBUE] ouvre des marchés, mais aussi que *les autorisations FLEGT seront acceptées d’office, allégeant la charge de travail de Diligence Raisonnée (DR)* ; la DR et la certification privée resteront compliquées et sources de grandes disparités ; perspectives de durcissement dans l’application du RBUE ; l’APV est mieux à même de protéger les petits producteurs (aussi légitimes et respectables que les grands ; la certification, très coûteuse, de fait exclut les petits ; les petits opérateurs n’ont pas vocation à s’intégrer dans les circuits des gros qui peuvent fédérer les petits à l’export/import) ; l’APV met tout le monde au même niveau ; l’APV reste complémentaire du RBUE.

⁹² Certains observateurs ont un avis plus mitigé sur la réalité de cette mobilisation (décalage possible entre le discours des représentants et la réalité au niveau des opérateurs).

⁹³ Pour d’autres acteurs, le volume de prélèvement annuel est toutefois déterminé sans lien avec le potentiel durable (lequel est inconnu) de chaque PEF ; par ailleurs, il y a des doutes exprimés sur le respect de l’obligation de reboisement.

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- Egalement une question de cohérence et de valeur ajoutée pour l’APV (voir QE 10), la **coordination entre les bailleurs** ne serait pas maximale. Les évaluateurs n’ont toutefois pas pu étudier davantage la question.
- La **conception de l’APV** et la **manière de la CE de gérer le processus** sont également en cause pour un intervenant (« La Grille de Légalité est trop complexe ! La CE n’aide pas à établir des priorités. La position “pas d’accord sur tout, donc d’accord sur rien” dans la négociation est une erreur, au lieu d’une approche graduelle par phases, avec des récompenses »).

QE 5 (réalisation des objectifs) :

- **Lutte contre l’abattage illégal :**
 - L’importance de l’inclusion du marché national et des exportations dans la sous-région dans l’APV pour une lutte efficace contre l’abattage illégal en Côte d’Ivoire a été traitée sous QE 1. L’efficacité de cette lutte dépendra encore de nombreux facteurs dans la phase de mise en œuvre de l’APV, à commencer par la **capacité de contrôle opérationnelle des autorités**.
 - Tant que le processus de négociation et de mise en œuvre de l’APV n’est pas finalisé, « la forêt ivoirienne continue à disparaître ! », regrette un participant. La lenteur de la mise en place de l’APV « retarde d’autant la perception des bénéfices qui en sont attendus » (malgré des progrès notamment en matière de gouvernance, le processus de négociation APV ne produit pas encore d’effets concrets, visibles sur le terrain). Il y a là pour certains la suspicion d’un effet contre-productif du processus, dans la mesure où d’autres mesures auraient peut-être été prises pour protéger les forêts s’il n’y avait pas eu le processus (voir aussi QE 10). Pour les évaluateurs, le constat qui est fait (« la forêt continue à disparaître ») traduit une certaine insuffisance du RBUE – actuellement, en l’absence de l’APV - à contenir l’exploitation illégale. Il est vrai que le marché domestique, notamment, qui concentre l’essentiel de l’exploitation illégale, échappe au RBUE ainsi que les marchés régionaux. A l’inverse, ce constat peut être vu comme une indication de la possible valeur ajoutée de l’APV, par rapport au RBUE, dans la prise en compte de l’exploitation illégale à destination du marché national.
- **Commerce légal :** d’évidence, la capacité de la Côte d’Ivoire à délivrer des autorisations d’exportations (licences) FLEGT n’est pas encore d’actualité au stade actuel du processus de négociation ; mais on peut poser la question d’une échéance réaliste pour atteindre cet objectif, compte-tenu des analyses contenues dans cet aide-mémoire. En termes de commerce légal il est toutefois rappelé qu’entretemps *les exportations vers l’UE sont placées sous le contrôle du RBUE* et de l’obligation de Diligence raisonnée pour les opérateurs.
- **Gouvernance forestière :**
- *L’amélioration de la **Gouvernance forestière** nationale est un effet positif du processus APV en Côte d’Ivoire assez largement reconnu parmi les acteurs consultés (malgré le manque de visibilité*

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encore de ces effets sur le terrain mentionné plus haut), en ce que FLEGT a accéléré ou soutenu plusieurs réformes et initiatives internes :

- Politique générale : préparation des Etats Généraux de la Forêt, de la Faune et des Ressources en Eau (EGFFRE) actuellement prévus en septembre 2015⁹⁴ ;
- Au niveau de la Loi : Décret n° 2011-118 du 22 juin 2011 reprécisant les missions du Ministère des Eaux et Forêts (MINEF) ; nouveau Code forestier (Loi N° 2014-427 du 14 Juillet 2014) érigeant la gestion durable et la régénération de la ressource en principes généraux – la propriété de l'arbre dans le Domaine rural est transférée de l'Etat au propriétaire du foncier⁹⁵ ; réglementation enrichie de l'interdiction du sciage "à façon", désignant en Côte d'Ivoire le débitage en forêt à la tronçonneuse (Décret n°2013-815 du 26 Novembre 2013) ;
- Application de la Loi : nouvelles procédures de contrôle publiées, attention portée au caractère largement informel du marché domestique /secteur artisanal.

QE 6 (effets inattendus) : Le processus FLEGT est encore récent en Côte d'Ivoire, et 2 années et demi ne sont pas suffisantes pour en évaluer correctement les conséquences inattendues. Cependant, il y a des effets, positifs ou négatifs, qui sont inattendus dans leur ampleur. Ceux-ci sont évalués dans les questions d'évaluation correspondantes (tel que le niveau d'adoption du processus participatif, ou le retard dans la mise en œuvre).

QE 7 (contribution aux objectifs supérieurs) :

▪ **Réduction de la pauvreté :**

En termes de réduction de la pauvreté, certains participants aux ateliers jugent les **bénéfices sociaux du processus** de négociation APV limités, au stade actuel, dans leurs résultats et possiblement dans leur prise en compte dans l'APV (Grille de légalité). Selon eux :

- les droits des communautés locales sont à promouvoir ;
- la réduction du secteur artisanal *informel* doit être accompagnée de mesures pour tenter de le formaliser, dans la limite des possibilités (cf. QE 1), ou compensée par des moyens de subsistance alternatifs ;
- il est nécessaire d'approvisionner non seulement les marchés étrangers mais aussi le marché domestique en bois légal. Pour cela il faut promouvoir le bois légal à des prix accessibles pour les populations (« le bois légal est rare et cher »). Une TVA réduite ou à taux zéro a été évoquée, ainsi que la recherche de solutions alternatives pour satisfaire les besoins de la population (cf. QE 1, Inclusion du marché national dans l'APV).

▪ **Gestion Forestière Durable (GFD) :**

⁹⁴ Les EGFFRE visent la production du Plan de Développement Stratégique 2015-2040 donnant les orientations des futures actions à mettre en œuvre pour les trois secteurs d'activités (forêt, faune et ressources en eau).

⁹⁵ Sous l'ancien Code forestier, l'arbre était attribué à l'exploitant, qui était responsable du reboisement « sur sol d'autrui ». Le fermier n'avait pas de droit sur l'arbre, qui était donc souvent brûlé pour faire du charbon de bois. Le transfert de propriété incitera davantage à la réalisation et au respect des plantations.

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- Le nouveau Code forestier, dont l'adoption a été encouragée par le processus APV, intègre davantage les principes de la GFD et de régénération de la ressource ; il reste à assurer que ces principes seront bien reflétés dans les textes d'application.
- Le principe 3 de la version provisoire de la grille de légalité (encore à rédiger) est dédié à la gestion forestière durable.

QE 8 (efficience) : Compte-tenu des retards actuels par rapport aux plans (la "Feuille de route" n'est pas respectée), il se peut que la quantité de ressources mobilisées pour le processus FLEGT ne produise pas les résultats escomptés. Cependant il n'y avait pas de budgets prédéfinis alloués au processus APV Côte d'Ivoire, par le gouvernement ou l'Union européenne, la FAO ou les Etats membres, donc on ne peut affirmer que le processus coûte plus, ou moins cher que prévu. Il reste à savoir si les investissements FLEGT effectués sont de « l'argent bien dépensé », jusqu'à maintenant et en vue des objectifs de l'APV pour le futur.

La plupart des investissements, jusqu'à présent⁹⁶, ont reposé sur des activités et projets de renforcement des capacités *ad hoc* (visant une adaptation aux circonstances). Leur efficacité devrait donc être mesurée davantage en fonction de :

- (i) la production, ou non, des « livrables » attendus, ce qui renvoie au suivi-évaluation des projets – notamment en ce qui concerne les projets de soutien (cf. QE 4) -,
- (ii) la mesure dans laquelle ces résultats contribuent efficacement, comme des étapes critiques, à l'ensemble du processus, ce qui pose la question de savoir si tous les facteurs de succès, les risques et les dépendances (conditionnalités) prévisibles ont été correctement anticipés, dans une théorie d'intervention spécifique pour l'APV en question, et gérés -, et enfin,
- (iii) l'existence, ou pas, de facteurs imprévus, internes ou externes, qui viendraient entraver la réussite du processus, auquel cas une partie de l'investissement pourrait se trouver gaspillée.

Le processus APV en Côte d'Ivoire est censé principalement produire du bois sous licence FLEGT (voir la Déclaration commune du 13 juin 2013, qui dit en substance : Les parties décident de lancer des négociations en vue de la conclusion d'un APV FLEGT visant à certifier que les produits bois couverts par l'accord, importés en UE en provenance de la Côte d'Ivoire, seront produits légalement). Bien qu'il n'y ait pas de calendrier (au-delà de la phase de négociations) ni de budgets définis pour atteindre cet objectif, la non-production de bois sous licence FLEGT dans un délai raisonnable signifierait donc un échec critique pour l'ensemble du processus APV en Côte d'Ivoire. Entretemps, on peut légitimement craindre que la rentabilité de l'investissement FLEGT en Côte d'Ivoire aille en se détériorant si un SVL opérationnel n'est pas développé dans un avenir raisonnable pour des raisons de complexité excessive et de manque de capacité.

Alors que l'APV (conformément à la Déclaration commune du 13 juin 2013) devrait également contribuer « à l'amélioration de la gouvernance forestière, au développement durable du secteur, à la promotion des bois ivoiriens d'origine légale sur les marchés internationaux et à l'amélioration des recettes fiscales en Côte d'Ivoire », rien n'est indiqué, dans les plans actuels, sur la mesure dans laquelle des réalisations en direction de ces objectifs supérieurs justifieraient à elles-seules les investissements FLEGT passés, présents et futurs en Côte d'Ivoire, c'est-à-dire sans la perspective que des licences FLEGT soient délivrées dans un certain avenir.

QE 9 (soutenabilité de l'action FLEGT) :

⁹⁶ Voir Evaluation du Plan d'action FLEGT de l'Union européenne 2003-2015, Enquête destinée aux gouvernements des pays partenaires APV FLEGT, 25.06.2015, "Activités et budgets (contributions nationales, appui bilatéral et / ou multilatéral) affectés à FLEGT / l'APV"

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- Le **maintien d'un couvert forestier** minimum est jugé vital pour FLEGT (à l'inverse de QE 1, où c'est *FLEGT* qui est vu comme une initiative cruciale pour soutenir la préservation du couvert forestier). On peut en effet craindre la disparition des forêts naturelles (plus ou moins denses, des forêts classées et du domaine rural) si la tendance actuelle est maintenue. Ce qui rendrait FLEGT relativement inutile et inopérant : en effet, les mécanismes FLEGT et APV, de protection de la forêt en appui sur la bonne gouvernance et le contrôle des flux et échanges commerciaux, sont particulièrement efficaces *dans le cadre d'activités de production et de commercialisation significatives* (c.à.d. s'exerçant sur une masse critique de surfaces et volumes), *et exercées en forêts naturelles* (le « besoin de FLEGT » est moindre pour les bois issus de plantations). Il est toutefois estimé que « le développement et la gestion des plantations forestières auront sans aucun doute une place prépondérante dans l'APV ivoirien », étant donnée le contexte.
- La question est aussi celle du niveau **d'intégration de FLEGT dans les activités des acteurs institutionnels** locaux (Gouvernement, parties prenantes, DUE) et la **prévision de ressources pour assurer un soutien durable au processus**.
 - Le **manque de ressources dédiées** au processus APV ressenti par tous les groupes de parties prenantes (cf. QE 5, DA 1), à l'origine de l'accumulation de retards - alors qu'il existe une perception croissante de ce que le travail restant à accomplir est immense et complexe -, crée un risque de découragement et compromet sérieusement l'avenir du processus de négociation et de mise en œuvre de l'APV en Côte d'Ivoire.
 - En ce qui concerne le Gouvernement de Côte d'Ivoire, les évaluateurs ont noté le **maintien de l'engagement envers l'APV**. Ils n'ont pas de données sur les ressources nécessaires, et disponibles, pour assurer l'avenir du processus à ce niveau⁹⁷.
 - Pour la **DUE**⁹⁸, les ressources ont été suffisantes jusque-là pour soutenir le processus, mais ceci est à rapporter au contexte d'un processus actuellement moins actif et donc moins consommateur de ressources. Il est estimé que le soutien de l'UE et des Etats membres devrait rester utile, sinon indispensable, à terme. Il n'y a pas, au niveau de la DUE, **d'indication de restriction de ressources** dans l'avenir. Toutefois, l'investissement en personnel pour le suivi du processus est considéré important, et la continuité de l'engagement (dans un processus qui a déjà duré 10 ans) est à tout moment justifiée par la perspective de l'aboutissement du processus.
 - A la question des jalons et de la séquence pour la réactivation du processus, les points critiques suivants sont cités :

⁹⁷ Au niveau du MINEF, le processus de négociation APV a au moins entraîné la mise à disposition de 8 fonctionnaires (y compris le Point focal) dont 2 à temps plein (Source : DUE).

⁹⁸ M. Philippe Le Bussy a suivi le processus FLEGT (APV, RBUE) depuis 2009, mais il quitte la CI fin juillet; il sera remplacé. Le Responsable de la Coopération est également partant. La Cheffe de Délégation, Mme Daniela Rofi, reste le point focal FLEGT à la DUE.

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- Fin juillet/août : cabinet retenu sur appel d’offres⁹⁹ pour la rédaction des décrets d’application du nouveau Code forestier puis des arrêtés
- Poste de PFN (ou délégué) pourvu
- Etats Généraux de la Forêt, de la Faune et des Ressources en Eau (EGFFRE) : pourront impacter les textes d’application du nouveau Code forestier, voire le Code forestier lui-même, même si celui-ci reste général¹⁰⁰
- Financement du CTN
- (Elections présidentielles de novembre 2015 : impact déjà pris en compte dans la feuille de route révisée)

QE 10 (cohérence et valeur ajoutée) :

- Les programmes d’appui à la Gestion Forestière Durable (GFD) dans les sociétés forestières, traditionnellement soutenus par l’AFD, se trouvent *renforcés par le cadre FLEGT*, lequel servira à valider, à récompenser, et donc à encourager les bonnes pratiques.
- Le processus FLEGT en Côte d’Ivoire a beaucoup à gagner de liens forts avec celui de **REDD+**, particulièrement en faveur de la *conservation et de la régénération du couvert forestier* pour lesquelles REDD+ est à même de fournir des *incitations financières* importantes, en particulier dans le domaine rural¹⁰¹. En même temps, REDD+ aurait besoin de FLEGT pour le *contrôle des surfaces boisées*, non seulement en lien avec la production de bois à rattacher par la traçabilité à des origines légales, mais *aussi pour des activités de surveillance forestière/ environnementale, en dehors de toute production, que FLEGT pourrait aider à mettre en œuvre et financer* en coordination et synergie avec REDD+ (suggestion à rattacher aux questions de pertinence et de conception de l’action FLEGT sous QE 1 et 2). Des efforts importants sont déployés en Côte d’Ivoire pour encourager les synergies et des actions conjointes FLEGT/REDD+¹⁰².
- En termes de valeur ajoutée, d’autres mesures de protection de la forêt auraient peut-être été prises¹⁰³ s’il n’y avait pas eu FLEGT. En ce sens, la présomption d’un effet « contre-

⁹⁹ L’Ambassadeur de l’UE est intervenu auprès du Ministre pour souhaiter une réactivation du processus, ce qui a abouti 1) à cet AO et 2) à la tenue des EGFFRE alors annoncés pour juillet 2015.

¹⁰⁰ Concernant la programmation des Etats Généraux, il a été précisé : 1) que les cinq études thématiques préalables à l’organisation des Etats Généraux sont réellement des prérequis pour la tenue de ceux-ci ; que les études sont achevées (les projets de rapport ont été remis au Comité Scientifique qui pilote ces études pour le compte du MINEF) ; que la volonté d’organiser ces Etats Généraux pour les trois secteurs visés (forêt, faune et ressources en eau) a un lien avec le FLEGT mais ne peut pas être attribuée au processus FLEGT (les Etats Généraux représentent un processus national ivoirien qui dépasse le cadre de l’APV) ; et enfin qu’aucune date n’avait été avancée pour leur tenue puisque les études thématiques n’étaient pas encore disponibles, et que la période retenue actuellement est celle du 21 au 24 septembre 2015.

¹⁰¹ On peut signaler à ce propos : l’Etude sur les coûts-bénéfices de la REDD+ en Côte d’Ivoire et mobilisation des acteurs des grandes filières agricoles et forestières (décembre 2013) ; l’Etude de faisabilité pour la mise en œuvre d’un système national de paiements pour services environnementaux en Côte d’Ivoire (juillet 2015 - Rapport provisoire version2).

¹⁰² Le concept d’« agriculture 0 déforestation » devient de plus en plus d’actualité, et REDD+ a un volet robuste de travail avec les filières privées « consommatrices de forêt ». Le STP FLEGT (avec le PF/DirCab) est impliqué dans les différentes activités liées à cet aspect spécifique du travail de la REDD+.

¹⁰³ Ceci dit sans toutefois que la mission dispose d’information précise permettant de le penser. Sans jugement sur leur faisabilité et efficacité dans le contexte ivoirien, les mesures classiques de protection de la forêt incluent p.ex. : renforcement des contrôles, interdictions d’exploiter, ou d’exporter le bois en grumes, création d’aires protégées.

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productif » pèse sur le processus, au niveau de la lutte contre l'abattage illégal à court terme. Une accélération du processus s'impose pour délivrer des Autorisations FLEGT dans le délai prévu, ainsi que la prise de mesures conservatoires pour protéger la forêt entretemps.

- Il faut aussi accepter que FLEGT et l'APV, avec ou sans phasage dans la mise en œuvre, puissent ne pas suffire à éradiquer totalement l'abattage illégal, particulièrement au niveau du marché national, sauf à très long terme et en maintenant sans cesse l'effort de mise en œuvre de l'APV avec son volet de soutien plus général au développement et à l'amélioration de la gouvernance forestière. La seule alternative connue, pour raccourcir les délais et augmenter l'efficacité de la mise en œuvre du SVL, est le recours à un opérateur privé de type société d'inspection indépendante, avec un mandat de délégation de service public. Ce « modèle »¹⁰⁴ n'a pas été évoqué au cours de la mission.

Principales conclusions et recommandations préliminaires

3.1 Intégration de FLEGT dans les activités des acteurs institutionnels (Gouvernement, DUE, bailleurs)

Conclusions :

Malgré une certaine lassitude, l'engagement de la Côte d'Ivoire en faveur de la signature d'un APV est maintenu ainsi que le soutien des acteurs institutionnels au processus. Ce dernier point n'empêche pas certains acteurs en Côte d'Ivoire de trouver que les soutiens financiers sont insuffisants (voir plus bas), que leur pays reçoit moins d'appui que d'autres pays APV¹⁰⁵, ou que la coordination entre les bailleurs n'est pas maximale¹⁰⁶.

FLEGT doit pouvoir soutenir davantage la préservation et la restauration du couvert forestier, désormais reconnu comme un enjeu vital pour la Côte d'Ivoire. A l'inverse la justification du processus FLEGT est liée au maintien d'un couvert forestier minimum, d'où l'importance de l'engagement présidentiel en faveur d'un couvert de 20% (cf. QE 1, Note de pied de page n°7, p.4) et de s'assurer que ce vœu sera suivi d'effet ; d'où l'importance également des prochains Etats généraux (EGFFRE) dont l'objectif est de « Définir une nouvelle vision de la gestion de la Forêt, de la Faune et des Ressources en Eau et asseoir les bases d'une gestion durable ».

Les processus FLEGT et REDD ont des liens d'interdépendance, de bénéfices mutuels et de complémentarité. FLEGT n'est pas conçu pour lutter seul contre la déforestation liée à la conversion des terres, surtout si celle-ci est réputée légale. Le barème de compensation financière à l'étude dans REDD+ devra être suffisamment incitatif pour convaincre les paysans de conserver les arbres - voire de reboiser leurs terres - et, à un niveau plus global, pour promouvoir la reconstitution de la forêt.

¹⁰⁴ Tel que développé notamment par la Société SGS de Genève.

¹⁰⁵ Il est fait remarquer à cet égard que les acteurs ivoiriens (ONG/Administration/syndicats) ne postulent pas en grand nombre aux appels à propositions lancés par le Programme UE FAO FLEGT, malgré une large diffusion au niveau du pays (17 propositions de projet soumises par la Côte d'Ivoire en 2014, contre environ 60/70 par des pays comme le Cameroun ou le Congo). Des faiblesses dans l'écriture des projets ont aussi été soulignées par les partenaires et en avril une formation du CIDT en montage de projet a impliqué 32 participants ivoiriens (sous-financement DFID et UE FAO FLEGT). L'appel en cours sera l'occasion de voir si à la suite de la formation les parties prenantes voudront postuler et si les projets auront le niveau nécessaire pour recevoir un financement.

¹⁰⁶ Il est précisé qu'un groupe de partenaires travaillant dans la thématique existe, même s'il est informel et que les réunions ne sont pas régulières. Ce groupe a envoyé une lettre conjointe au Ministre pour soulever les préoccupations des bailleurs – parmi lesquelles aussi celle liées au processus FLEGT - et une rencontre des partenaires avec le Ministre a eu lieu en Janvier [2015]. Il est toutefois reconnu que « sans doute la coordination reste à améliorer ».

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La cohérence et la coordination de l'action gouvernementale, comme de celle des bailleurs, doit être assurée dans ces domaines forestier et environnemental, avec des politiques agricole, économique, d'urbanisation etc. qui soient fédérées par une politique nationale de gestion du territoire et des ressources naturelles.

Il n'est pas sûr que les mesures prises par la Côte d'Ivoire pour protéger efficacement les forêts en attendant la mise en œuvre d'un APV opérationnel, compte tenu de la durée du plan de négociation adopté pour l'APV (jusqu'en 2017), soient suffisantes. Surtout au regard des retards qui s'accumulent et du travail restant à accomplir dans la mise en œuvre de l'APV.

Recommandations :

Pour l'APV Côte d'Ivoire, sur la base d'un secteur forestier ivoirien fort et en lien avec l'UE et les autres bailleurs concernés :

- Soutenir la politique de reboisement massif annoncée par le Gouvernement
- Soutenir les prochains Etats généraux (EGFFRE)
- Soutenir une compensation financière incitative dans REDD+ pour la conservation des arbres
- Soutenir la cohérence de l'action gouvernementale, comme de celle des bailleurs
- Soutenir une politique nationale faîtière, de gestion du territoire et des ressources naturelles
- Rechercher avec la Côte d'Ivoire des mesures pour protéger efficacement les forêts en attendant la mise en œuvre d'un APV opérationnel.

Pour l'APV Côte d'Ivoire et les APV en général :

- Pour une clarification éventuelle sur l'égalité des soutiens financiers entre les pays APV, que la Commission européenne fournisse une comparaison des soutiens engagés dans les différents pays, en distinguant bien les phases de négociation et de mise en œuvre de l'APV et en justifiant d'éventuelles disparités sur la base de critères tangibles.
- Réfléchir à la possibilité d'intégrer dans l'APV (SVL, appui à la gouvernance) des objectifs de surveillance forestière et environnementale, que FLEGT pourrait aider à mettre en œuvre ou à financer¹⁰⁷.

a. Aspects positifs ou négatifs du processus APV/FLEGT en Côte d'Ivoire ; mécanismes, acteurs et facteurs

a) Sensibilisation des acteurs, transparence des informations, communication

Conclusions :

Des effets très positifs sont perçus dans ce domaine. Le processus APV a généré des prises de conscience collectives sur la situation, les enjeux et les mesures à prendre, y compris des actions de fond comme la révision du cadre législatif et réglementaire dans les secteurs forestier et transversaux. Mais la visibilité du processus reste insuffisante.

Recommandations :

¹⁰⁷ Les activités de surveillance des forêts auxquelles il est fait allusion peuvent inclure : la mise en place d'un réseau d'informateurs (voire de brigades) appartenant à la société civile (communautés locales, ONG), la surveillance d'aires sensibles par satellite, avion ou drone, et des actions de police (civile/ forestière/ environnementale/ militaire) sur le terrain. La déforestation étant très souvent réalisée par brulage, la détection peut également viser les fumées provoquées par les feux (mêmes moyens + miradors sur des surfaces limitées). S'ajoutent le contrôle des flux de bois propre à FLEGT (inspections de terrain, check-points), permettant de détecter des transports ou des stocks illicites.

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- Communication, information et consultation accrues, particulièrement auprès des acteurs de base du secteur informel, à travers les collèges (société civile, secteur privé, chefferie) et structures administratives de l'Etat, grâce à des activités spécifiques et grâce à une ligne budgétaire « visibilité », dans les projets d'appui FLEGT financés par la FAO et l'UE, plus significative et liée aux résultats.
 - Le Projet AMISTAD doit faire l'objet d'un suivi renforcé pour assurer la mise en œuvre d'une stratégie de communication cohérente et efficace, et le site Internet APV-MINEF doit être mis et doit être maintenu à jour.
- b) Etablissement d'un processus participatif ; Renforcement des capacités, des connaissances et dans l'organisation des acteurs institutionnels et autres parties prenantes ; Travaux de développement du SVL

Conclusions :

L'établissement d'un processus FLEGT participatif en Côte d'Ivoire est le résultat positif le plus évident du processus, le mieux partagé, instaurant un changement radical dans les relations entre les parties prenantes et produisant de très nombreux effets bénéfiques. Le renforcement des parties prenantes est également un acquis majeur du processus, obtenu à travers projets, ateliers et études, et par l'apprentissage sur le tas. Les faiblesses générales qui subsistent à ce niveau sont les mêmes que pour le développement du SVL ci-dessous. Plus spécifiquement, il semble qu'il y ait des doutes en termes d'efficacité au niveau de l'utilisation des subventions UE accordées aux projets de renforcement de la société civile et du secteur privé.

Les résultats en termes de développement des annexes de l'APV et/ou des éléments du SVL ou d'activités liées sont relativement faibles à ce jour : (1) définition du Champ d'application (Annexe I de l'APV), (2) introduction de l'Observation Indépendante Mandatée (OIM), et (3) avancées en matière de transparence des informations. Les progrès sur les deux composantes principales du SVL sont limités, concernant la légalité, à des ébauches incomplètes de la Grille de Légalité (version CTN 2015 03 05) et des modalités de Vérification de la Légalité (10 juin 2015) ; concernant la traçabilité, depuis l'élaboration du Guide de traçabilité (décembre 2012) il n'y a pas encore eu d'autre avancée en termes de développement d'une vision d'un système moderne adapté aux enjeux, de préparation d'un cahier des charges technique, ni d'organisation d'un processus de financement et d'acquisition du système national de gestion des informations forestières et de traçabilité du bois¹⁰⁸ ; ces activités sont toutefois conditionnées à la réalisation d'un certain nombre de prérequis au niveau du cadre légal.

Les retards et manques de résultats dans ces développements sont évidents par rapport à la Feuille de route, les principales causes de retard et dysfonctionnements du processus participatif incluant :

- L'absence de textes d'application du nouveau Code forestier
- Le manque de disponibilité des responsables impliqués dans les travaux : insuffisance de personnel dédié dans les différentes instances¹⁰⁹, manque de temps alloué, accaparement par d'autres tâches

¹⁰⁸ Il a été confirmé que la Côte d'Ivoire doit encore faire le choix du système national de gestion des données qu'elle souhaite mettre en place, lequel pourrait intégrer les fonctions de suivi des productions, traçabilité des produits, vérification de la légalité des opérateurs, délivrance de certificats de légalité et délivrance des autorisations d'exportation (dont FLEGT).

¹⁰⁹ En dehors de 2 agents du MINEF travaillant à temps plein sur le processus APV au sein du STP.

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- Le manque de moyens : manque de moyens de déplacement pour se rendre en réunion, remboursements tardifs
- Le manque de capacité : niveau de préparation limité, manque d’expertise technique, manque d’expérience de terrain, manque de leadership
- Les manques présumés de volonté politique et de transparence dans le financement des activités, ressentis par certains acteurs, posant la question du degré de priorité de l’APV pour le gouvernement, et de rigueur dans la gestion publique, indissociable du problème de corruption latente. L’interdiction du sciage « à façon » (sauvage) irait à cet égard dans le bon sens¹¹⁰.
- L’inadaptation du mode de financement du CTN
- Le cumul de fonctions du Point focal national FLEGT

Recommandations :

Concernant le développement des textes d’application du Code forestier, l’UE à travers le processus FLEGT et la DUE et en lien avec le Gouvernement ivoirien, les Etats membres et les autres bailleurs concernés, doit pouvoir :

- Soutenir et suivre l’action MINEF/AFD en cours dans sa mise en œuvre
- Accepter et faire accepter que les EGFFRE puissent impacter le Code forestier et la réglementation correspondante
- Faire éviter au maximum qu’il soit fait de la mise en œuvre de la réforme foncière un préalable à l’avancement des discussions FLEGT, et sinon
- Encourager et soutenir au maximum l’accélération des processus intermédiaires créant des dépendances dans l’enchaînement des actions.

Concernant les travaux de préparation de la mise en œuvre de l’APV :

- Soutenir la qualité de la sélection des personnels impliqués, soutenir financièrement le renforcement des capacités et les activités des organes APV et des parties prenantes en effectifs, disponibilité, moyens, et formation
- Favoriser les qualités de leadership des présidents des organes APV
- Favoriser l’apprentissage sur le tas ("learning by doing")
- Donner du temps au processus
- Rétablir l’Assistance technique
- Obtenir que le budget annuel soit utilisable sur une année complète de 12 mois entre les dates d’ouverture et de clôture (pour autant que la question puisse être réglée au niveau du secteur forestier, s’il s’avère qu’il ne s’agit pas d’un problème structurel de financement public en Côte d’Ivoire)
- Soutenir la nomination d’un remplaçant ou d’un délégué de qualité au PFN
- Créer les conditions favorables à un travail efficace des responsables en leur permettant de s’isoler et de dédier des journées complètes aux réunions de travail

¹¹⁰ En tant qu’il vise à lutter contre la corruption, dont il est dit qu’elle préfinance le sciage à façon. Toutefois, tout en luttant contre cette corruption latente, l’encadrement du sciage à façon peut être suggéré comme une alternative envisageable à son interdiction pure et simple (s’il est ainsi possible d’alimenter légalement le marché domestique).

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- Confier le travail technique préliminaire à un groupe réduit d'experts, sous la supervision du « groupe élargi » (STP, CTN)
- Face à la perception (par certains) d'ingérence de la part d'experts étrangers intervenant en Côte d'Ivoire¹¹¹, rétablir la légitimité des experts FLEGT tout en précisant les attitudes appropriées, et justifier le déséquilibre entre les parties inhérent au mode de négociation et de mise en œuvre des APV
- Concernant le manque de transparence ressenti dans l'utilisation des fonds, demander une évaluation formelle des contrats correspondants ou en réaliser un suivi plus régulier (dans la mesure des possibilités, selon les procédures pour les subventions UE).

c) Réalisation des objectifs FLEGT (QE 5), contribution aux objectifs supérieurs (QE 7)

Conclusions :

Le manque de résultats du processus APV en Côte d'Ivoire, que ce soit en matière de lutte contre l'abattage illégal et de contrôle du commerce légal, n'est pas encore critique au stade actuel du processus, en cours de négociation seulement. La faiblesse des bénéfices sociaux attendus du processus est toutefois signalée.

S'agissant de l'amélioration de la gouvernance forestière, le processus APV a accéléré ou soutenu plusieurs réformes et initiatives internes en matière de politique générale (préparation des Etats Généraux), de législation (nouveau Code forestier), de réglementation (décret précisant les missions du MINEF, décret d'interdiction du sciage "à façon"), et d'application de la Loi (nouvelles procédures de contrôle, attention portée au marché domestique).

Recommandations :

Pour l'UE, à travers le processus FLEGT et la DUE, et en lien avec le Gouvernement ivoirien, les Etats membres et les autres bailleurs concernés :

- Sur le volet social, promouvoir davantage les droits des communautés locales.
- Sur le volet social, rechercher des moyens de subsistance alternatifs pour les acteurs du secteur informel.
- Sur le volet social, rechercher des modes d'approvisionnement du marché domestique en bois légal à des prix accessibles pour les populations.
- Encourager et soutenir les Etats Généraux de la Forêt, de la Faune et des Ressources en Eau (EGFFRE), même si la chronologie semble inappropriée par rapport au Code forestier déjà promulgué, et accepter que les EGFFRE puissent impacter en retour le Code forestier et ses textes d'application.

d) Rôle du secteur privé, adaptation au RBUE

Conclusions :

Le secteur privé ivoirien a eu un rôle moteur au démarrage des négociations APV, en vue de : (i) sécuriser son marché UE, (ii) améliorer la gouvernance, et (iii) pérenniser la ressource forestière. Il a largement

¹¹¹ Voir en p.9 les appuis techniques possiblement visés (Facilitation, Assistance technique, Coordination de la société civile).

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contribué au processus de négociation depuis 2013 après une réduction temporaire en 2014, du fait : (i) de difficultés sur le dossier fiscalité, (ii) d'une lassitude à maintenir son effort, (iii) par crainte d'exigences additionnelles de l'APV, et (iv) à l'expérience positive du RBUE. Il reste aujourd'hui favorable à l'APV, reconnaissant la valeur ajoutée de l'APV, et fortement mobilisé pour continuer à participer aux travaux FLEGT.

Le secteur privé ivoirien s'est bien adapté au RBUE tel qu'expérimenté depuis 2013. Il fournit sans mal les informations demandées par les importateurs de l'UE, ceci dans un contexte de mise en œuvre toutefois encore peu strict du RBUE.

Le RBUE offre une résonance aux programmes d'appui des bailleurs à la Gestion Forestière Durable (GFD) dans les sociétés forestières. Mais la certification de la GFD est encore inexistante en Côte d'Ivoire. Noter qu'à l'inverse de l'APV, le RBUE ne pourra jamais avoir que très peu d'impact sur le marché domestique pour en réduire l'informalité. Cela est un argument supplémentaire en faveur des APV.

Recommandations :

- S'assurer le concours du secteur privé pour développer et valider des solutions réellement opérationnelles et utiles à l'ensemble des acteurs impliqués afin de remporter l'adhésion de ceux-ci.
- Capitaliser sur la certification privée de légalité (par référence aux 3 certificats OLB en place) et traiter les freins existants à la certification de la GFD en Côte d'Ivoire : faiblesse de l'aménagement forestier dans un monde rural représentant 80% du marché ; promouvoir la certification de groupe.

e) Efficiences

Conclusions :

Il se peut que les investissements FLEGT actuels ne produisent pas les résultats escomptés, toutefois il n'y a pas de budgets prédéfinis alloués au processus APV en Côte d'Ivoire ni aucun calendrier défini pour sa mise en œuvre.

La plupart des investissements jusqu'à présent ont reposé sur des projets et activités adaptés aux circonstances. Ces projets et activités devraient être davantage planifiés à l'avance, et leur efficacité mesurée.

Selon la Déclaration commune du 13 juin 2013, le processus APV en Côte d'Ivoire est censé principalement livrer du bois sous licence FLEGT et (seulement) *contribuer* à des objectifs supérieurs (amélioration de la gouvernance, développement durable dans le secteur, promotion de bois légal de Côte d'Ivoire sur les marchés internationaux, et amélioration de la perception des recettes pour le gouvernement)¹¹². Toutefois, aucuns critères n'ont été élaborés pour justifier les investissements FLEGT par rapport à ces différents objectifs, dans la perspective des licences FLEGT ou en l'absence de licences FLEGT à terme.

¹¹² Voir pp.19-20 du présent aide-mémoire, par référence à la Déclaration commune du 13 juin 2013. Il a été suggéré que les positions et perceptions des acteurs interrogés, telles qu'évoquées précédemment, pourraient refléter une vision différente des priorités. La mission a toutefois observé que le processus est sous-tendu par l'objectif d'émission de licences FLEGT à terme, et elle a estimé qu'il y avait un risque pour le maintien de l'élan du processus dans le cas où cet objectif serait amené à perdre sa prééminence.

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Recommandations, pour l'APV Côte d'Ivoire et l'ensemble des APV :

- Mesurer l'efficacité des investissements FLEGT sur la base de procédures de conception, suivi et évaluation des projets plus systématiques.
- Dans le processus Côte d'Ivoire, comme dans les autres pays APV, facteurs de succès, risques et conditionnalités devraient être anticipés et gérés par le biais d'une théorie d'intervention, détaillée en fonction des approches et modèles mis en œuvre, propre à chaque pays.
- Préciser clairement, sur le principe, si les investissements dans les objectifs supérieurs (gouvernance, développement durable, promotion du bois légal, et recettes publiques) seraient acceptables (au titre de l'aide au développement) sans la perspective de licences FLEGT délivrées à un moment donné, ou bien si l'échec de l'APV à livrer du bois sous licence FLEGT dans un délai raisonnable devrait être considéré comme l'échec de l'ensemble du processus APV (l'APV étant conçu comme un accord commercial plutôt qu'un projet de développement).

b. Inclusion du marché national dans l'APV en Côte d'Ivoire

Conclusions :

Vu l'importance relative du marché domestique en Côte d'Ivoire par rapport au secteur industriel formel (de 14,5 à 26 contre 1 en volume selon les hypothèses), et vu son caractère réputé largement informel, la non-inclusion - dans les meilleurs délais¹¹³ - de ce marché national dans le champ d'application de l'APV signifierait l'échec de cet APV à lutter efficacement contre la principale manifestation d'abattage illégal en Côte d'Ivoire. Elle poserait de ce fait pour le Plan d'action FLEGT (dont la lutte contre l'abattage illégal est le principal objectif) un sérieux problème de pertinence ainsi que d'autres questions (efficacité, aide au pays producteurs, amélioration de la gouvernance forestière, gestion forestière durable, soutenabilité de FLEGT, et cohérence avec d'autres programmes y compris REDD+).

Le manque de contrôle des flux transfrontaliers entre la Côte d'Ivoire et les pays voisins notamment APV (Ghana, Liberia) poserait également un problème de maîtrise du commerce, et donc de la production, du bois au niveau de la sous-région, et donc d'efficacité des APV en général.

Le processus APV en Côte d'Ivoire a déjà eu le mérite de faire reconnaître le problème que pose la situation du marché domestique, d'en évaluer l'importance et d'en analyser les modalités et les causes profondes. Le problème posé, en Côte d'Ivoire et potentiellement dans tous les pays APV, est celui de la manière de satisfaire légalement et durablement les besoins de la population en bois d'œuvre et en bois de feu, ainsi que ceux de l'industrie et du commerce du bois à l'exportation. Il est clair que l'approche traditionnelle « réglementation et contrôle par le gouvernement » restera inefficace à traiter le problème si d'autres solutions ne sont pas mises en œuvre.

Recommandations :

Pour l'UE, à travers le processus FLEGT et la DUE, et en lien avec le Gouvernement ivoirien, les Etats membres et les autres bailleurs concernés :

¹¹³ Le rapport de la 2ème session de négociation spécifique : Concernant le marché national, un calendrier spécifique sera défini pour sa prise en compte dans le SVL. Un groupe de travail dédié sera mis en place dans les meilleurs délais pour en définir les modalités.

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- Gestion du territoire et Code foncier : plan d'aménagement du territoire (zonage et classification des terres) ; clarification des droits de propriété et d'usage des terres et ressources forestières, particulièrement dans le contexte du transfert de la propriété de l'arbre au paysan
- Inventaire forestier national, estimation du potentiel d'exploitation affiné par région et type de forêt ; délimitation plus fine des PEF et/ou allocation des volumes exploitables affiné par hectare de forêt dans les PEF
- Etude et mise en œuvre des stratégies d'adaptation envisageables pour alimenter le marché domestique en volumes suffisants :
 - Création et attribution de nouveaux petits permis, dans la limite des possibilités (la marge de manœuvre en Côte d'Ivoire étant réputée nulle ou très limitée)
 - Promotion de techniques permettant d'économiser le bois (meilleure transformation, meilleure mise en œuvre en construction, plus grande efficacité dans la carbonisation et la combustion, etc.)
 - Incitation du secteur industriel à alimenter le marché local en produits bon marché, y compris à partir d'essences moins connues et sur la base d'une TVA réduite (reconnaissance du bois comme produit de première nécessité)
 - Recours à des importations complémentaires (légales, dans le cadre du SVL)
 - Plan de reboisement intensif sur le territoire (plantations industrielles, promotion de l'agroforesterie) pour le plus long terme, en lien avec REDD+.
- Analyses complémentaires pour répondre aux observations recueillies que « le marché domestique est très complexe et très peu structuré », qu'il y a une « insuffisance de textes réglementaires ».
- Inclusion progressive du marché domestique dans le champ d'application de l'APV grâce à une segmentation de la production artisanale actuellement informelle et à une prise en main progressive du contrôle des flux internes et sous-régionaux, en fonction d'exigences spécifiques dans la définition de légalité dont le niveau pourrait être progressivement augmenté.

c. Recherche d'approches alternatives pour l'APV/le SVL, en réponse à la complexité du processus

Conclusions :

La longueur du processus en cours, le niveau d'exigence actuel prévu pour l'APV, et la complexité du SVL en cours d'élaboration sont de plus en plus explicitement jugés excessifs et responsables d'un sentiment croissant de lassitude et de découragement, face à l'ampleur de la tâche restant à accomplir et du manque de moyens, qui accentueraient encore la lenteur des travaux.

- La durée de la phase de négociation, pourtant prévu exceptionnellement longue (2013-2017) pour un APV, risque de dépasser la prévision. Ceci est dû dans une large mesure au fait que le travail sur la Grille de légalité est effectué en amont en vue d'intégrer celle-ci dans le texte de l'APV Côte d'Ivoire, selon la Feuille de route, ainsi qu'au niveau d'exigence actuel de l'APV tel que reflété par la Grille de Légalité (GL) en cours d'élaboration en Côte d'Ivoire, jugé trop ambitieux dans l'absolu, pour être appliqué en une seule phase compte-tenu de la capacité limitée des acteurs du processus et par rapport au RBUE.

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- La complexité des composantes essentielles du SVL à mettre en place avant de pouvoir lancer les autorisations FLEGT, à savoir le système de contrôle du respect de la GL et le système de contrôle de la chaîne d'approvisionnement, résulte dans une large mesure de la complexité de la GL proprement dite.
- Cette complexité affecte et affectera l'ensemble du processus : travail préparatoire, développement des outils et systèmes, tests, mise en œuvre, mise en application, contrôles de conformité, etc. Elle est déjà une cause majeure de retards dans le processus APV au stade actuel en Côte d'Ivoire et dans le contexte actuel de faiblesse du cadre légal et de manque de capacités. Pour un certain nombre d'acteurs rencontrés au cours de la mission, il y a besoin de simplifier l'approche ou de la rendre plus progressive dans sa mise en œuvre (par phases, avec des récompenses – comme une licence d'exportation - à chaque phase).

Le manque de gradation dans les infractions et de progressivité dans les sanctions est fortement ressenti par certains acteurs. La GL et les Vérifications de Légalité en cours de développement n'établissent encore à ce stade aucune hiérarchisation dans les exigences et en termes de sanctions applicables dans FLEGT. La logique entrevue est encore apparemment binaire : la Licence FLEGT n'est délivrée que si la situation est « 100% conforme, pour 100% de la réglementation applicable, jusqu'au niveau le plus détaillé de vérification » (le bois est 100 % légal ou bien il est illégal).¹¹⁴

Le risque est que la Côte d'Ivoire n'atteigne jamais le stade où elle est prête à délivrer des Licences FLEGT, et que l'APV passe alors à côté de l'objectif du Plan d'Action d'utiliser la Licence FLEGT comme mécanisme de contrôle du commerce basé sur l'exigence de légalité du bois.

Il est nécessaire de définir des degrés et priorités pour une application non monolithique et un phasage de la GL, et donc du SVL dans son ensemble¹¹⁵.

Noter que le phasage permet aussi de s'affranchir des contingences (comme la révision de l'ensemble de la gouvernance forestière), et d'en faire des processus parallèles, plutôt que consécutifs, faisant gagner du même coup un temps important.

Recommandations :

- Afin de respecter l'échéance de 2017 pour la signature de l'APV : découpler le texte de l'APV et la Grille de légalité, pour reporter le travail technique de développement du SVL après la signature de l'APV, ou alors simplifier considérablement ce travail technique grâce à un phasage de la Grille de légalité.
- Introduire une hiérarchie dans les non-conformités et leurs conséquences sur la délivrance, ou non, de l'Autorisation FLEGT.¹¹⁶
- En faisant un parallèle avec la certification forestière et les Demandes d'action corrective (DAC) majeures / mineures, sérier entre (i) des infractions majeures (*suspensives* pour la délivrance de l'Autorisation FLEGT pour un certain lot de bois, tant qu'une action corrective n'a pas effacé l'infraction dans un certain délai, ou *bloquantes* pour un certain lot de bois, voire pour l'activité, passé ce délai ou si une correction a posteriori est impossible), et (ii) des infractions mineures (pour lesquelles l'entreprise responsable sera avertie ou sanctionnée par l'Administration compétente mais

¹¹⁴ Voir les clarifications apportées plus haut dans la section QE4 p.14. EFI précise que cette discussion n'a pas encore eu lieu (« Nous en sommes à l'analyse de l'existant, la définition des exigences, les conséquences en termes de légalité, nous allons discuter prochainement les conséquences en termes de licensing, avec la question du traitement des non-conformités »).

¹¹⁵ Il a été clarifié que des travaux et réflexions sont en cours en ce sens au sein du CTN.

¹¹⁶ EFI a confirmé que les procédures de traitement des non-conformités pour chaque vérificateur, et les étapes avant impact sur le licensing seraient discutées et définies.

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pourra se mettre en conformité au regard de la réglementation sous un certain délai, et donc non bloquantes pour la délivrance de l'Autorisation FLEGT).¹¹⁷

- A cet effet, se référer notamment à la distinction, introduite antérieurement par la SGS puis par Smartwood dans les programmes VLO-VLC¹¹⁸ développés respectivement par ces deux organismes de certification forestière, entre les notions (i) d'origine légale des bois et (ii) de conformité légale de l'entreprise et de ses activités.
- En réponse à la crainte que l'APV [comme d'ailleurs le RBUE ?] soit trop demandeur d'informations, difficiles à collecter auprès de plusieurs ministères et administrations, envisager un rôle utile à jouer dans les pays producteurs pour un service gouvernemental ou privé centralisateur de cette collecte, accessible en ligne, et offrant une base de données sur Internet.
- En réponse à la crainte du manque de moyens de l'administration pour surveiller l'activité, recourir à l'ingéniosité nécessaire dans la conception du SVL (traçabilité réelle, contrôles par sondage en tout point de la chaîne, application et suivi dans le système de traçabilité, etc.) pour atténuer ce défi.

Conclusion générale :

L'engagement consensuel de la Côte d'Ivoire en faveur de l'APV depuis 2009 est maintenu. Le processus mobilise avec succès l'ensemble des acteurs ivoiriens. Il s'avère toutefois plus long et difficile qu'attendu, au détriment de la forêt à court terme. Un "processus" implique des étapes incontournables, de possibles contingences (comme de devoir revoir l'ensemble de la gouvernance forestière), et un apprentissage nécessaire pour les acteurs. Mais il a besoin d'une dynamique plus soutenue, en attaquant les causes de retard propres au processus ivoirien actuel.

Il y a malgré tout un sentiment croissant parmi certains acteurs d'avoir une montagne à gravir, que l'APV ne doit pas devenir le « rocher de Sisyphe¹¹⁹ », et que cela pourrait être évité grâce à un accord avec l'UE sur des critères essentiels pour un « APV Phase 1 ». Le travail de préparation, développement et mise en œuvre du SVL s'en trouverait beaucoup simplifié, concentré, et rendu plus efficace et rapide.

¹¹⁷ EFI a précisé que, en général, le cadre légal définit déjà cette approche "action corrective requise avant sanction", et que c'est sur cela que le SVL va s'appuyer.

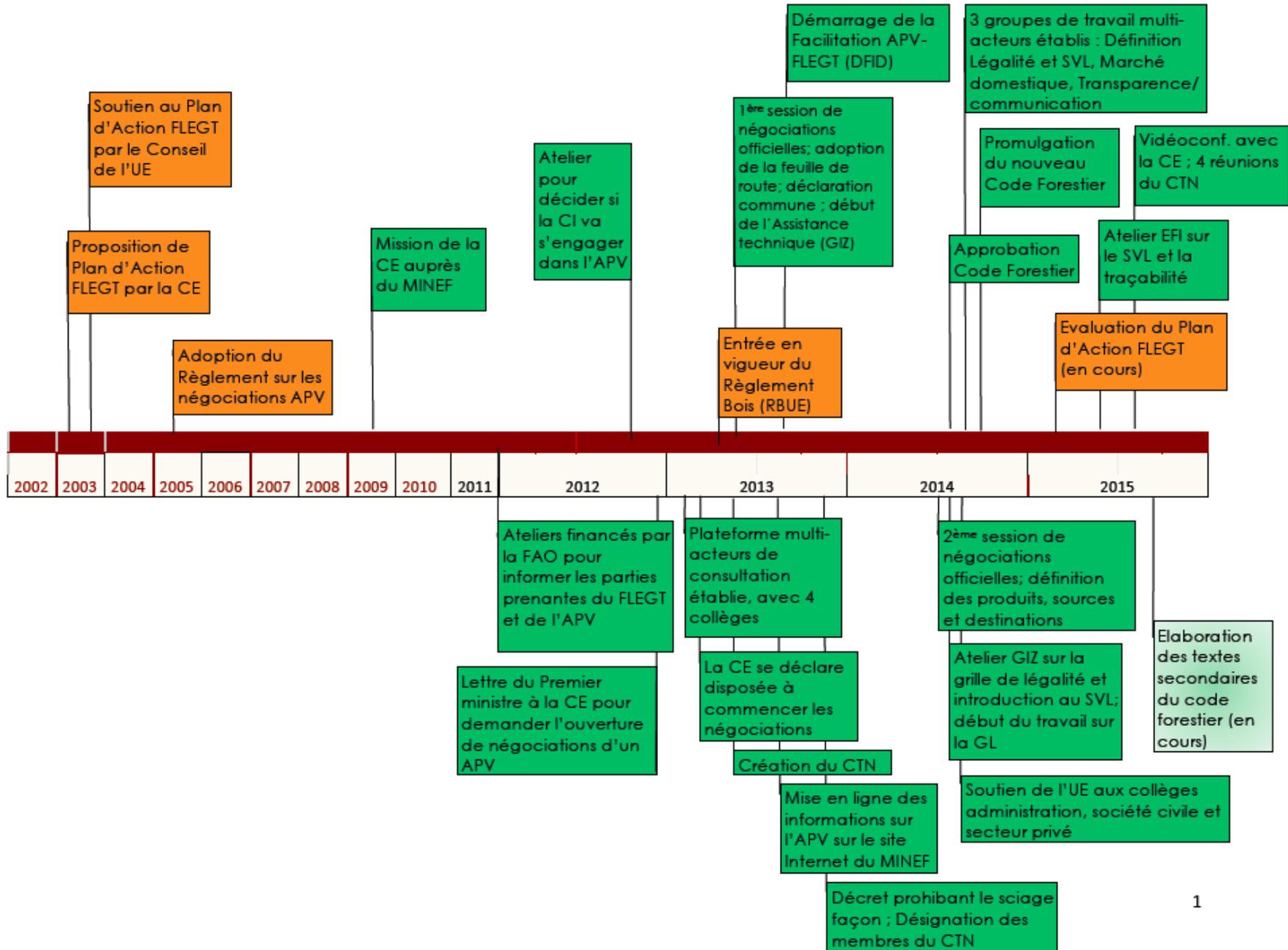
¹¹⁸ Selon les sigles (en anglais) VLO, pour "Verification of Legal Origin", et VLC, pour "Verification of Legal Compliance"

¹¹⁹ Dans la mythologie grecque, Sisyphe fut condamné à pousser éternellement, sur la pente d'une montagne, un énorme rocher qui toujours retombait avant d'atteindre le sommet (<http://www.larousse.fr/encyclopedie/divers/Sisyphe/144486>).

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Annexe 1 - Historique du Processus FLEGT en Côte d'Ivoire



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Annexe 2 : Programme de la mission (tel que réalisé)

Mercredi, 8 juillet	<ul style="list-style-type: none">- Réunion d'information initiale à la Délégation de l'UE- Prise de contact avec le Ministère des Eaux et Forêts- Réunion de coordination avec le Secrétariat Technique Permanent, le Négociateur en chef et le Point focal
Jeudi, 9 juillet	<ul style="list-style-type: none">- Atelier de lancement- Rencontre avec la Sodefor- Rencontre avec le Collège Société Civile- Rencontre avec la GIZ
Vendredi, 10 juillet	<ul style="list-style-type: none">- Rencontre avec le Collège Chefferie Traditionnelle- Rencontre avec le Collège Administration- Rencontre avec la Coordination et la Facilité EFI REDD+- Rencontre avec le Collège Secteur Privé
Lundi, 13 juillet	<ul style="list-style-type: none">- Atelier de restitution- Rencontre avec le Point Focal APV FLEGT- Réunion de débriefing à la Délégation de l'UE

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Annexe 3 – Intégration de la Grille de légalité dans l'APV

Exemple de l'APV Cameroun :

ARTICLE 8

Bois produit ou acquis légalement

1. Aux fins du présent accord, une définition du bois produit ou acquis légalement figure à l'article 1er, point k), et à l'annexe II.
2. L'annexe II présente également la législation nationale du Cameroun qui doit être respectée pour qu'une autorisation FLEGT puisse être émise. Elle comprend des grilles de légalité, avec des critères, indicateurs et vérificateurs qui permettent d'établir la conformité à la législation en vigueur.

Article 1, k) "bois produit ou acquis légalement", bois provenant ou issu d'un ou plusieurs processus de production ou d'acquisition, y compris les bois importés, *totalelement conformes à l'ensemble des critères* issus des textes de lois et règlements en vigueur au Cameroun et applicables au secteur forestier, et vérifié/contrôlé selon les modalités précisées à l'annexe II.

ANNEXE II

Grilles de légalité

I. La définition de la légalité

La légalité des bois mis sur le marché est fondée sur le respect des textes de lois et règlements nationaux et des instruments juridiques internationaux dûment ratifiés dont l'application est nécessaire pour garantir la viabilité de la gestion forestière par l'entreprise productrice et/ou exportatrice, ses fournisseurs et ses sous-traitants, au nom du propriétaire de la forêt (l'État, la commune, un propriétaire privé ou une communauté).

La définition de la légalité arrêtée de façon consensuelle par toutes les parties prenantes dans cet esprit peut être résumée ainsi:

"Est réputé bois légal, tout bois provenant ou issu d'un ou de plusieurs processus de production ou d'acquisition, *totalelement conformes à l'ensemble des critères* issus des textes de lois et règlements en vigueur au Cameroun et applicables au secteur forestier, et vérifié/contrôlé comme tel."

La définition de la légalité des bois commerciaux est fondée sur la connaissance et l'application des lois et réglementations en vigueur au Cameroun, ainsi que sur le respect des instruments juridiques internationaux dûment ratifiés par le Cameroun en matière forestière, commerciale, environnementale, sociale, et de droits humains.

(...)

II. Les grilles de légalité

Notes:

- P. 24. L'APV Cameroun fournit huit grilles de légalité construites (GL1 à GL8) ;
- P.25 [quatre] autres grilles de légalité seront construites au cours de la phase d'opérationnalisation du système dès lors que leur pertinence sera établie".

P.25: (...)

Les grilles de légalité sont constituées de critères, indicateurs et vérificateurs, et participent au système global de vérification de la légalité (SVL) dont le fonctionnement est détaillé à l'annexe III-A.

Les critères et indicateurs ont été analysés puis testés sur le terrain pour l'ensemble des grilles, et seuls les critères et indicateurs pertinents dans chaque grille spécifique ont été retenus.

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III. Le mode d'emploi

À l'exception de la grille sur les UTB, les grilles de légalité sont construites à partir de cinq (5) critères communs traitant respectivement de la régularité :

- ☑ des aspects administratifs et juridiques (critère 1)
- ☑ de l'exploitation et de l'aménagement forestiers (critère 2)
- ☑ du transport (critère 3)
- ☑ des aspects sociaux (critère 4)
- ☑ des aspects environnementaux (critère 5).

Selon les grilles, *ces critères sont déclinés en un nombre variable d'indicateurs qui reflètent les différentes obligations légales* associées à ces différentes sources d'approvisionnement en bois.

L'appréciation de la conformité des indicateurs se fait sur la base des vérificateurs. *Pour qu'un indicateur soit "conforme", tous les vérificateurs qui lui sont associés doivent au préalable être jugés conformes.*

La conformité du vérificateur s'appuie sur la disponibilité des documents techniques délivrés par les différentes administrations, prévus par les textes réglementaires et consultables, pour la plupart, dans la base de données centrale du ministère en charge des forêts (Système informatique de gestion de l'information forestière de seconde génération – SIGIF II).

La délivrance d'un "certificat de légalité", qui constitue l'un de préalables à la délivrance d'une autorisation FLEGT (voir annexe III-A), ne pourra s'envisager que si tous les indicateurs sont conformes.

Note: 45 pages (p.22-p.67) de critères, indicateurs et vérificateurs des GL 1 à 8 suivent.

ARTICLE 9

Vérification de la légalité du bois produit ou acquis

1. Le Cameroun met en place un système pour vérifier que *les bois et produits dérivés sont produits ou acquis légalement* et que *seules les expéditions vérifiées comme telles sont exportées vers l'Union.* (...)
2. Ce système de vérification de la légalité des bois et produits dérivés est décrit à l'annexe III-A.

ANNEXE III-A

Système de vérification de la légalité

I. Introduction

Le système de vérification de la légalité (SVL) est un moyen fiable de *distinguer les produits forestiers d'origine licite de ceux d'origine illicite* conformément à la définition du bois légal consacrée dans le texte du présent accord de partenariat volontaire (APV). Il permet de s'assurer en tout temps et en tout lieu sur le territoire camerounais que *seul le bois produit ou acquis de manière légale est en circulation, et est susceptible de recevoir une autorisation FLEGT* en cas de besoin.

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Annexe 4 – Point de presse de la mission d'évaluation du processus APV FLEGT (MINEF et ONG AMISTAD)

<http://infosnews.net/?p=1616gl>

Une mission d'évaluation mandatée par la commission européenne a séjourné en Cote d'Ivoire depuis le mercredi 08 juillet dernier dans le cadre des négociations sur l'Accord de Partenariat Volontaire du FLEGT (APV FLEGT). A la fin de cette mission, le directeur de cabinet du ministère des Eaux et Forêts, monsieur Doplé Soro, a animé un point de presse ce lundi 13 juillet 2015 à la salle de conférence du ministère des Eaux et Forêts. Ce point de presse a été organisé par ONG AMISTAD, dans le cadre de la mise en œuvre de son projet « RENFORCEMENT DE CAPACITÉS DES ACTEURS DES MÉDIAS SUR LE PROCESSUS APV FLEGT EN COTE D'IVOIRE » dont l'objectif est d'assurer une diffusion appropriée des informations sur le processus APV FLEGT par les médias. M. Doplé Soro a indiqué que cette mission avait pour objectif de vérifier si la partie prenante de la Cote d'Ivoire joue activement son rôle dans le cadre du processus APV FLEGT. Durant la semaine d'évaluation, la Côte d'Ivoire a présenté aux évaluateurs européens les objectifs de la Côte d'Ivoire en matière de protection des forêts en générale et du bois en particulier, les points d'intérêts et les quatre collèges prenants part au processus. Ce point de presse avait aussi pour objectif, a-t-il souligné, d'assurer la visibilité des activités du processus par l'implication des médias dans la diffusion des informations, d'informer la population ivoirienne et les parties prenantes de l'évolution des négociations et des résultats de la mission d'évaluation. Il a aussi fait remarquer que le processus représente de nombreux avantages pour la Côte d'Ivoire dont la gestion durable des forêts ivoiriennes. Pour lui, la Côte d'Ivoire pourra assurer au terme de ce processus, la légalité du bois sortie de nos forêts. Pour mettre fin à cette exploitation frauduleuse de bois estimé à « 400 000 m3 de bois » dans de plus bref délais, la Côte d'Ivoire a proposé « décembre 2017 pour la mise en place totale du processus ». Les évaluateurs européens quant à eux, se sont réjoui de la franche collaboration de la partie ivoirienne, de l'implication effective des différentes partie prenantes et de l'évolution des négociations. KONE MARTIN (stagiaire)



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Annexe 6 - Tableau d'analyse des résultats (en anglais) / Annex 6 - Table for analysis of achievements

Forests, markets and livelihoods				Governance					
Forest conditions	Economic development	Domestic market development	Livelihood and poverty	Effectiveness of stakeholders involvement	Accountability & transparency	Illegal logging	Institutional effectiveness & efficiency	Law enforcement & compliance	Tenure and access
<p>Presidential commitment to restoration of a 20% forest cover (June 2015).</p> <p>Recognition of the important role FLEGT can play in protecting forest cover.</p> <p>New forest Code: raising sustainable management and regeneration of the resource to general principles.</p>		<p>Sector study: CIRAD-GIZ, Dec.2013, CIFOR-FAO 2015.</p> <p>Recognition of the problem of a large, mostly informal, unregulated or uncontrolled domestic and sub-regional market.</p> <p>No more small permits can be created. Alternative solutions are needed, incl. massive reforestation in liaison with REDD.</p> <p>Inclusion of DM in VPA can only be gradual.</p>	<p>Realization in RCI of the social dimension of the problem (i.e. the necessity to meet the needs of the population; to find alternative livelihoods for small producers in the informal sector etc.).</p>	<p>Inclusive VPA process in RCI, one of the most tangible and best recognized benefit.</p> <p>Creation of a platform of the Ivorian civil society for FLEGT and REDD.</p> <p>Capacity building among the main stakeholder groups is also a major achievement.</p> <p>Learning by doing.</p>	<p>Mandated Independent Observation (OIM) Project by WCF, with SODEFOR in a natural forest.</p> <p>Working Group 3 on <i>“Stratégie de communication & Informations à rendre public”</i>.</p> <p>Awareness raising of the actors, and transparency of information, including through communication actions, is widely perceived as one of the major positive effects of the VPA process in Côte d'Ivoire.</p>	<p>See Domestic market, main source of IL.</p> <p>Sector studies (see domestic market).</p>	<p>Creation of the management bodies of the VPA process for the Ivorian party (STP, CTN, Colleges, thematic Working groups).</p> <p>Some, though limited, development of TLAS elements under Working Group 1: legality definition and verification procedures; general principles of a nationwide wood tracking system.</p> <p>Adoption of new Forest Code boosted by FLEGT.</p> <p>Policy: preparation of the 'Etats Généraux' of the forest, wildlife and water (EGFFRE) currently foreseen in September 2015.</p> <p>Regulations: new decrees.</p>	<p>Law enforcement: new control procedures published, attention to the largely informal nature of the domestic market /artisanal sector.</p>	<p>New Forest Code: Includes the transfer of ownership of the tree on the landowner.</p>

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1. Situation of the country with regard to the FLEGT Action Plan

FLEGT history in Ghana

By 2003, when the FLEGT Action Plan (FLEGT AP) was adopted, approximately 55% of the timber volume and 58% of the timber value exported from Ghana was destined to the EU market (TIDD, 2004). At that time, the Ghanaian forestry sector faced severe illegal logging, causing deforestation, forest degradation, considerable environmental and social damage and losses in revenue for the Government of Ghana (GoG). The GoG saw the development of the FLEGT AP, and more specifically of a Voluntary Partnership Agreement (VPA), as an opportunity to address the forest governance issues in their own context and to give sustainable forest management a boost.

Ghana was one of the first countries to start negotiations with the EU for a VPA. It was also the first country signing a VPA and having it ratified by its parliament (2009). Since then, the GoG and its partners have worked on the implementation of the Ghana VPA. It took several years to develop, test and implement a wood tracking system (WTS), mainly due to the failure of delivery of an initial WTS service provider. After a new service provider was contracted further delay was caused by contractual issues. By now a WTS has been developed and tested. It covers all exports and the domestic market. Due to harvesting over the past decades an important part of the forest resources has been lost. Or, as one respondent puts it: “the VPA is good, but it came late for Ghana”. According to stakeholders interviewed illegal logging has been decreasing, and trade patterns have changed over the past 10 years. There is an increase of the domestic and regional market, an increase of trade to Asian countries (especially to China), and a significant decrease in the exports of wood-based products to the EU, down to approximately 20% of the export volume in 2014 (TIDD, 2015), less than half of what it used to be in the early years 2000. With respect to the export value, still 25% concerned the EU in 2014 according to the trade statistics presented on the FC website.

Ghana is currently one of the countries closest to the issuance of FLEGT certificates.

a) Main stakeholders

The **Forestry Commission (FC)** has been coordinating the negotiation and the implementation of the VPA, Representatives of **civil society** and the **private sector** are seated in formal bodies like the Joint Monitoring and Review Mechanism (JMRRM, the JIC of Ghana), in the Joint Team on Impact Monitoring (JTIM), in the Ghana Multi-Stakeholder Implementation Committee (M-SIC) and in the Timber Validation Committee (TVC). Civil society is represented with two seats in the JMRRM and the JTIM The private sector is represented with one seat in the JTIM, but is not represented in the JMRRM.

The FC includes several departments that are involved in the FLEGT AP. Ghana is mainly focussed on its VPA with other related initiatives perhaps occurring. The implementation of the VPA, and the development of a Timber Legality Assurance System (TLAS) and WTS is very much a shared responsibility between the departments. In addition to their daily operational mandates, each of these business units does have a verification function in respect to the Timber Legality Assurance System (TLAS). A Timber Validation Department (TVD) was established in 2010 as an internal audit function to ensure credibility of the TLAS. It absorbed the team manning the FLEGT Secretariat during negotiation and now also plays the role of FLEGT Secretariat. . As internal auditor, TVD essentially monitors/ evaluates the verification done by the respective units of the FC. The Timber Industries Development Division (TIDD) is involved in monitoring of trade and responsible for the issuance of FLEGT licenses. The Forest Services Division (FSD) is responsible for operational tasks, including the day to day management of the forest resources, the issuance and control of logging permits and control of transported logs and timber products. The Resources Management Support

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Centre (RMSC) is involved in applied research, training, policy development and implementation of projects supporting the VPA.

Among the civil society in Ghana the following groups can be distinguished: a. national/regional/local NGOs (e.g. CARE Ghana, Friends of the Earth Ghana, WWF-Ghana/NDF, Kumasi Wood Cluster, Civic Response); b. international NGOs (e.g. Client Earth, FERN, WWF); c. research institutions/academia (e.g. Forest Research Institute Ghana (FORIG), TropenBos (TBI), University of Ghana); d. grass root organizations (such as the Forest Forum (represented at national, regional and local levels), community organizations).

Civil society in Ghana has become stronger during the VPA process and has formed functional networks of NGOs, that coordinate better, avoid duplication and where possible speak with one voice. They have “achieved a seat on the table” and thereby developed much more direct and easier lines of communication with GoG. They have also formed a Legal Working Group that helps CSOs to strengthen their positions around key legal issues and reforms and intends to advise GoG with respect to legal reform issues on the basis of policy papers.

According to TIDD the private sector in Ghana is very diverse, ranging actually (2015) from 3-4 big timber companies, 15-20 medium sized millers, 50 small millers and a huge number of very small millers, the latter either artisan (legal) or chainsaw millers (illegal). The Ghana Timber Millers Organization (GTMO), a branch organization of larger companies involved in logging and milling, represented the diverse group of the private sector during the negotiations and implementation. The size and structure of the industry has changed considerably in recent years due to the increasing costs of production and scarcity of raw material; this means that less efficient mills simply could not compete and stopped business or fell apart in smaller size companies. The latter tend to focus more on the domestic market and make more effective use of what is allocated to them. According to the FC they are thereby more competitive and work in a more sustainable way.

Other branch organizations include the Ghana Timber Association (GTA), representing mainly small and medium sized companies involved in logging only, the Domestic Lumber Traders Association (DOLTA), representing approximately 130,000 domestic timber traders, many of which were until recent considered to mainly work in an informal way, and the Furniture and Wood Products Association of Ghana (FAWAG), representing more than 450 people working in small (< 5 employees), medium (5 – 20 employees) or large scale (> 20 employees) companies.

b) Special issues in Ghana

Based on document review and preparatory discussions with a selected number of stakeholders, the team selected a number of issues for deeper exploration: (1) legal reform; (2) the domestic market (including SMEs/ artisanal chainsaw milling and the development of a Public Procurement Policy); (3) the Timber Legality Assurance System (TLAS) and its joint evaluation; (4) effects of the EUTR, and (5) the Multi Stakeholder Consultation Process.

-1. Legal reform

Legal reform is a central issue in the VPA process for a number of reasons: a) In Ghana tree tenure is complex, touching upon more than 16 relevant laws. Communities are owners of the land and of the trees growing on the land, but management of trees is delegated by law to the state, more specifically to the FC (as if they were a forest reserve). The FC has the task to issue permits, collect and distribute stumpage fees and control logging. If a farmer wants to harvest a tree, he will have to apply and pay for a permit, whether the tree is on his land or not. In consequence there is no

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incentive for farmers to leave and /or tend trees, leading to (illegal) logging and deforestation. While the farmer has no incentive to protect his trees, the FC is not able to control illegal logging. Fair access to forest resources is a key issue for civil society organizations. b) Between 2010 and 2012 three policies were developed, the Forest and Wildlife Policy, the Domestic Market Policy and the Public Procurement Policy. The first two policies were endorsed, while the third is still under development. Nevertheless all 3 policies require supporting legislation to ensure implementation.

The VPA legality definition has included positive aspects of existing laws and left out others that were considered not to reflect good governance, such as the “special permits/ministerial TUCs (Timber Utilization Contracts)”. With other words, the VPA process did not include a thorough legal reform. Under the actual situation certain practices (like the special permits) that are not compliant with the VPA (and thus are not considered legal within the FLEGT context), can still be considered legal in view of older laws that have not been removed through a legal reform process. This makes the situation rather complex, creates a risk of confusion and provides ground for disputes.

According to FC officials interviewed legal reform started but the process has “halted” due to lack of political will and reluctance to start such a major time and resources consuming exercise. The consolidation of the forest laws was postponed pending the outcome of the challenge to the constitutional review process – a final decision on this is expected later this year. There has been other legal reform however, such as the passing of the FLEGT regulation in July 2012. Other stakeholders consider that the real legal reform has yet to be started. According to CS there is no need to wait for legal reform before launching the TLAS.

A Legal Working Group (LWG) of CS organizations has been established and builds capacity of CSOs to engage with GoG in the legal reform process through, for example, the preparation of position papers (so far 10). The LWG has been strengthened and is in the position to react on proposals of the FC. An example is the FC proposal to “deal with salvage permits”, which was strongly rejected by the LWG (December 2014) with the argument that it was conflicting with current laws, including the constitution. In consequence the proposal was suspended by the FC.

The importance of legal reform was stressed by an interviewee as follows: “If we can consolidate our laws it is a big achievement for us, bigger than getting FLEGT licenses”.

-2. Domestic market

The VPA includes timber for the domestic market. The inclusion of the domestic market was at the insistence of Government, private sector and civil society who were in agreement that only dealing with exports would do little to reduce illegal logging and serious forest degradation. Yet this makes the implementation of the VPA more complex, since the domestic market has seen a large presence of illegal timber. This is especially so since chainsaw milling became illegal (1998), but it was and is still practised by thousands of people. Marfo (2010) estimates that 130,000 people are directly involved and approximately 650,000 people are dependent on it for their livelihood. After the parliamentary approval of the VPA the control on illegal chainsaw timber has much improved. Chainsaw timber can be easily detected and is always illegal. According to a TBI/FORIG study (2010) between 1995 and 2005 84% of the timber on the domestic market was from illegal chainsaw milling; by 2010 this level had dropped to approximately 60%¹²⁰.

According to TIDD the domestic market in Ghana is growing¹²¹. While 10 years ago 30% of all timber would go to the domestic market, it is now 50%. Due to the scarcity of timber resources the number and size of the mills have changed as well: twenty years ago there were nearly 200 large mills in

¹²⁰ These estimates are based on the “full legal context”, rather than on the “VPA legality definition”.

¹²¹ It is estimated that approximately 65% of the domestic timber ends in neighbouring countries. There are no data that specify on the volumes per product type per neighbouring country.

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Kumasi and the middle district capitals. Now there are only 20 mills left operational between large and medium sized (in Ashanti and Western Regions). The rest have either stopped business or have split-up into smaller units, with 10 – 20 people (SMEs), using mobile sawmills and moving closer to the resources. While the current big central sawmills focus on export (only 9 primary species), the SMEs take all tree species and process these close to the felling location and supply the domestic market. Now the full AAC volume is being logged: according to the FC 50% goes to the domestic market, and 50% to the export market (not necessarily to the EU). Ten years ago this was 30% to the domestic market and 70% to the export market (almost 80% of which to the EU).

The larger companies are focussing on the export market and in general work legally, partly as a result of the relative focus of FLEGT related efforts for these larger companies, and partly as a result of their efforts on FSC-CW (Controlled Wood) certification¹²². The problems are especially with the large group of smaller companies, and the (illegal) chainsaw millers that are supplying the domestic market. Due to the VPA controls have improved and the number of registered companies is increasing. Over the last 5 years TIDD has seen evidence that the volume of legal timber is increasing (from less than 30% to 50% now). An issue is that once illegal lumber has reached the market, there is no enforcement. Some domestic market actors see the VPA as their enemy, destroying their livelihood.

Another issue of importance for the domestic market is the *Public Procurement Policy (PPP)*. A first draft was devised in 2012 with support of Tropenbos and offered to Cabinet. However, as it was clear that it would impact on GoG projects, the proposal was not approved and instead broader consultations with other Ministries and Agencies (e.g. Ministry of Works and Housing) were requested. With support of FAO consultations were held in three regions and implementation guidelines were prepared, in consultation with public procurement officers (end of 2014). The guidelines are planned to be sent with a memo to Cabinet, attached to an already existing law, so it does not have to go through Parliament, but instead can be made a Directive to all Districts.

Although FC staff, private sector and civil society representatives generally consider that a PPP would be of great relevance, especially to those companies that are active on the domestic market (e.g. according to FAWAG the government sector represents 60% of their market), some CSOs surprisingly indicate that there would not be much use in having a PPP in place, while there is not sufficient legal timber on the domestic market (arguing that as most of the old leases were not converted into TUCs, within 6 month of the introduction of the Timber Resources Management Act of 1998 as requested by that law, 95% of the actual timber on the domestic market would be illegal).

-3. Timber Legality Assurance System (TLAS)

The Ghana TLAS (generally referred to as the GhLAS) has been developed with punctual inputs of civil society and the private sector, especially during field testing, and is close to operational. A new unit for the verification of legality has been set up (the Timber Validation Department-TVD), as well as a Timber Validation Committee with the task to monitor the functioning of the TVD and investigate eventual complaints. The TIDD fulfils a critical role in TLAS implementation and verification and has been prepared for its task to issue FLEGT licenses. An independent monitor (SCS) has been contracted and prepared for independent auditing of the TLAS (e.g. developed audit protocols, developed auditor manual, etc). In 2014 a joint assessment was conducted and it was concluded that work remained in a number of areas and that these could be separated into issues relating to the development of the system (e.g. the completion of the 'mill module') and issues

¹²² Early 2015 three larger and one medium company together cover an area of well over 400,000 ha FSC-CW certified forest. In addition there is one company with a full FSC-FM certificate for a forest plantation of 3,367 ha and there are 10 FSC-CoC certificates.

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relating to non-compliances (e.g. the need to ensure that all production reserves had up to date forest management plans), which had to be addressed before licensing could start. Based on the findings of the Joint Evaluation, Ghana together with the EU, developed a joint action plan to address the findings and guide the process until licensing.

The Joint Review of the TLAS also showed that only 4% of all timber delivered complies with the VPA legality definition, while in the actual sense of the law (including the non-removed older laws that are still actual), a much larger percentage of the timber is legal. So there is a difference between “VPA compliance” and “legality” according to the current legal context. This is due to the fact that no proper legal reform has taken place (see the paragraph on legal reform), which has several causes, among others the issue on the conversion of old leases into TUCs and the Special Permits.

The **problem with the TUCs and the special permits** is that the old leases had to be converted into a TUC within 6 month after approval of the 1998 Timber Resources Management Act. Most companies requested such conversion, but the Forestry Commission (TREC – Timber Rights Evaluation Committee) was unable to follow-up as there were no guidelines on how to do it. Work based on the old leases continued until 2002, when a by-law amended that a Timber Rights Fee (TRF) had to be paid for all concessions, including the old leases. The owners of the old leases however refused to pay twice. Since then the problem has not been solved; it was referred to the Attorney General in 2004 and it was decided that the old lease owners had to pay (implying that the further use of old leases without paying the TRFs would be illegal). The sector did not accept the outcome and did not pay. For about 10 years nothing happened and in the mean time so called “special permits”¹²³ were issued (at the discretion of the Minister) to enable old lease owners to continue using their old leases.

The legality definition of the VPA does not include the old leases and the special permits, as these are considered to be not desirable and insufficiently transparent. Special permits have not been issued anymore during the last 4 years. Yet remains the problem what to do with the non-converted old leases and related special permits (many of which will lose validity in the coming years). A verdict of the new Attorney General is expected to guide... If he would confirm the old position, the private sector has indicated that it is ready to challenge his verdict in court. If he does not, GoG will lose out on a lot of needed tax income and it would create inequality with those that did pay the new TRFs for TUCs. A recent proposal of the FC to solve the problem by issuing new permits, was considered inadequate and unconstitutional by CS. Whereas this started as a bureaucratic problem, it now has become rather a political problem. Political decisions are to be made on **legal reforms** to enable to take away this difference in interpretation and to be able to move onwards and streamline legality¹²⁴.

-4. EUTR effects

The mission has noted the following effects of the EUTR: a) It has stimulated the registration of companies, due to the fact that buyers are requiring timber from legal sources; b) It has increased paper work, administration and thus the workload and costs of private companies exporting to the EU (as well as of the Ghana Timber Millers Organization - GTMO); c) it temporarily increased the

¹²³ The special permits issue is one where CSOs and PS decided against including this type in the VPA as they saw it as a potential loophole that was not in the spirit of good governance. As a result, any material from this source could not be issued with FLEGT licenses. The first Minister in the new Government in 2009 decided to issue special permits and as a result it was brought to the attention of the JMRM by Ghanaian civil society. It was made clear that as this source of timber was not identified in Annex II as a legal source, then anything coming from this permit type could not get a FLEGT license. The previous Minister made a commitment not to issue any more of these and to have the law amended to remove that provision. Before this could happen, the current Minister (2015) arrived and was of the view that if it was in the law, it should be in the VPA, regardless of whether was a ‘good’ law or not.

¹²⁴ According to the latest information (August 2015) the Attorney General has confirmed the need to pay TRF but has not required retrospective payment.

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workload of TIDD, as they provided certain documents to exporting companies to facilitate their compliance with the requests of their EU clients in view of the EUTR requirements (this was later solved by providing internet access to such documents); d) It has had a positive effect on FSC Controlled Wood and CoC certification¹²⁵ (since FSC certified timber is, in the eyes of the big companies, the best option to show compliance with Due Diligence requirements).

Some companies wonder why they should make their lives more difficult than their neighbors in e.g. Sierra Leone (that do not go for a VPA and can still export to the EU without major problems). Although this assumption is mistaken, their mentality is therefore “as long as the market is not closed (due to lack of effective EUTR implementation) we can export to the EU”.

The decrease in export volume to the EU is not considered to be EUTR related, but rather due to the lack of primary species (category 1 species), requested by the EU market. With the dwindling resource base there is a change from selective logging towards logging of all available species. The latter are sold to other markets (domestic, regional, China). Others mention the global economic crisis as a factor that may have affected the demand in EU countries and the consequent trade over the last few years. The reduced volume to the EU market is thus rather an issue of availability and economic context than a legality issue. Yet companies indicate their sustained interest in dealing with the EU, as far as availability of resources and demand permits. The actual economic recovery may show an increase of the latter. It will be interesting to see what effect this will have on the trade volumes.

There is a felt need among stakeholders in the private sector and civil society for strong implementation of the EUTR in support of effectiveness of the VPA. The bigger companies have additional interest in the EU market, due to their competitive advantage (being certified as FSC CW/CoC). There is fear that if the EUTR is not well implemented competition of FLEGT-timber - although having a green light - with other timber, might remain strong (especially if it concerns illegal timber, that generally has a lower price).

-5. Multi-stakeholder consultation process

The overall multi-stakeholder engagement within the VPA negotiation phase was valued by civil society, private sector and GoG officials as one of the main achievements of the overall VPA process. Interviewees valued it as ‘unprecedented’, ‘never seen before in Ghana’, ‘unexpectedly cohesive’, ‘genuine’, etc. The engagement of the private sector was more ambivalent and less united (due to diverging interests of the private sector, and dwindling export to the EU).

It was far from self-evident that the engagement would be so successful. In first instance civil society and elements of the private sector were rather skeptical about the process and its outcomes. Mechanisms that contributed to the success include a strong but flexible leadership that guided the process and built trust, a strong and exposed civil society, the use and inclusion of broader groups of actors through Working Groups on specific issues, available financial resources that facilitated the process, and the broader political framework that allowed the voicing of different voices.

Not only the process of engagement was valued, also the outputs and outcomes were said to be of better quality, due to the discussion and sharing of thoughts and participatory construction of solutions. In the views of various interviewees the engagement process contributed to a) better quality of the legality definition, b) inclusive policy development (of the Forest and Wildlife Policy,

¹²⁵ In Ghana certification started in the 90ies (with focus on CoC/ controlled wood since the companies do not manage the natural forest; forest management is done by the FC); progress was very slow. When the VPA process came, it was expected that it would replace forest certification, but it was to complement. Most certificates were achieved in the period 2011 – 2013.

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the Domestic Market Policy (approved in 2012), and the development of the Public Procurement Policy (still under development)), c) getting and keeping important issues on the table like the issue of the Special Permits and d) sustainably improved relations between stakeholders, e.g. between private sector and civil society, between GoG, NGOs and communities.

Multi-stakeholder engagement of civil society during the negotiation phase is perceived as very strong by both the GoG and civil society, but weaker during the implementation phase. The engagement of the private sector is perceived as less strong ('met in the margins of the negotiation' as one interviewee puts it), and almost a forgotten topic. When talking to GoG staff and civil society, the engagement of the private sector is hardly mentioned; nonetheless the private sector considers they have been actively contributing through their representatives and that they at least have been willing to contribute, but were not always given the opportunity to do so (e.g. in the development of procedures for the WTS). During the implementation phase the engagement of stakeholders was structurally well arranged for; nevertheless both civil society as private sector perceive that they are having less opportunity to share their views and are having less influence. FC is aware of the cost of consultation (in time and financial inputs) and considers that there is less need to involve stakeholders in the development of the (in their view mostly) technical elements of the TLAS.

2. Key Findings

On EQ1 (relevance):

- The FLEGT AP and more specifically the VPA, is generally perceived by GoG, civil society, SMEs and larger companies, as relevant. It has introduced unprecedented innovative approaches, such as the multi-stakeholder consultation process. It has enabled civil society to strengthen itself through training and improved coordination between CSOs and provided space for influencing government. For the GoG, it has been relevant for contributing to sustainable forest management (SFM) and improved forest governance. In addition it is relevant with a view to increase tax income. According to Chatham House (2005)¹²⁶ GoG loses € 100 million annually due to non payment of Timber Rights Fees. GTA (2007)¹²⁷ estimates that GoG loses 3.4 billion cedi/year¹²⁸ due to illegal chainsaw milling. The latter does not only affect GoG but also cripples licensed traders on the domestic market. The larger and SME private sector actors consider illegal trade a threat to their business and to the sustainability of their access to resources. The large group of chainsaw millers in general see the relevance of the policy initiative to sustain future timber resources, but also consider FLEGT as a threat to their current livelihood, with very few alternative livelihood opportunities.
- When the GoG opted to negotiate a VPA they considered right from the start that it should be comprehensive, not only focusing on the timber exported to the EU, but also be applicable to timber exported to any other place in the world as well as include the domestic market (the latter to the surprise of the EU). According to a TBI/FORIG study (2010)¹²⁹, between 1995 and 2005, 84% of the timber on the domestic market was from illegal chainsaw milling. Chainsaw milling became illegal due to a law in 1998. Only after enforcement became more strictly due to the VPA (2008), the illegal timber on the domestic

¹²⁶ Chatham House, Illegal Logging Portal, March 2005: <http://www.illegal-logging.info/content/Ghana-timber-exporters-lose-eu-market>

¹²⁷ Ghana Timber Association, 2007

¹²⁸ Based on the exchange rate of 2015 this would represent approximately € 787 million/year.

¹²⁹ Marfo, Emmanuel (2010); Chainsaw Milling in Ghana. Context, drivers and impact. TBI/CSIR/FORIG

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market is said (FC) to have considerably dropped from 70% (2008) to 60% (2010). The FC estimates that 50% of the timber in the domestic market is legal by early 2015.

- Despite the decreasing export to the EU (from 40% to 22%), the programme retained its relevance for reducing illegal logging and trade at the domestic market and the export to other countries. Before the VPA, the domestic market had no serious control. After the parliamentary approval of the VPA this has much improved. Chainsaw timber can be easily recognized based on the traces of the chainsaw on the timber; it is always illegal, which means that in case it is detected somewhere, it can be easily apprehended without further discussion.
- Artisanal millers indicated that the newly developed alternative of artisanal milling gives them a chance to live a normal life, although most of them are still struggling to earn a decent living. Some stakeholders consider that the relevance of the FLEGT AP/VPA in view of the export volumes to the EU has decreased. If the resource base further collapses, alternative markets might become more attractive. Some alternative markets have emerged already: the regional market, India and especially China. The change in export to the EU is not necessarily an effect of the EUTR but rather considered an effect of dwindling timber resources and the limited number of tree species demanded by the EU market. In that sense, the VPA is said to have come too late indeed and lost some of its relevance. In case trade to the EU would remain low or even decrease further, the relevance of FLEGT would be lowered. There are expectations however that FLEGT licensing might allow the trade to the EU to recover.

On EQ2 (design):

- Some stakeholders consider that the design could have been more realistic in terms of the time frame and expectations of the delivery of FLEGT licenses, pointing at the fact that more than 5 years after ratification of the VPA no FLEGT licences have been issued yet. Others argue that change processes (among others the involvement of stakeholders in policy development) always take a lot of time and that given the complexity of the context and considering the many different views and interests among stakeholders, there have been no major delays. Also the development of the WTS was significantly affected (almost 3 years) by the unsuccessful first contract and was further delayed during the second contract due to contract issues. In addition, there was no fixed planning with the VPA process being flexible to the conditions of the country.
- Given the huge increase in the size and the magnitude of illegality of the domestic market, the decision to include the domestic market is laudable.
- Given the fact that the VPA includes the domestic market, it is remarkable that hardly any attention seems to be paid to raising awareness of the Ghanaian consumers about purchasing illegal timber.
- Due to the ratification of the VPA, the illegality of chainsaw milling got more attention and enforcement measures are taken. Yet, no major efforts were made to support this group in finding alternative livelihoods. TBI piloted some projects to explore alternative livelihoods (artisanal milling, using more efficient mobile saws; reforestation of degraded forest lands, using the taungya system; charcoal production, using efficient kilns), but these efforts face serious challenges: e.g. limitations in funding and technical assistance for the artisanal milling project did not allow yet for the supply, repair or replacement of crucial equipment, leaving some of the pilot groups out of business. Others do have equipment, but lack raw material to use it. Even though the former chainsaw millers involved in these projects appear to be convinced of the importance of their new way of life, for the sake of forest conservation, they also indicate that they are not generating any substantial income as yet.

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- Benefits for the communities to protect ‘their’ forest against illegal logging are, also due to the issue of tree tenure¹³⁰, not clear, and therefore results not sustainable. An example is the set up of Community Forestry Committees (CFC) in Nkawie District, that have patrolled ‘their’ forest for years in a row but do not see any tangible benefits.

On EQ3 (effectiveness):

The **intervention theory of Ghana** is referred to for the discussion of effectiveness (see Annex 4).

- Great progress has been made with the **Timber Legality Assurance System (TLAS)**: a new unit for the verification of legality has been set up (the Timber Validation Department), which also has the task of internal auditing¹³¹, as well as a Timber Validation Committee (with the task to monitor the functioning of the TVD and investigate eventual complaints). Furthermore, the TIDD has been prepared for its task to issue FLEGT licenses, an independent monitor (SCS) has been contracted and prepared for independent auditing of the TLAS. In 2014 a Joint Evaluation of the TLAS took place, and GoG together with the EU developed a joint action plan to address the findings and guide the process until licensing. The Wood Tracking System is being rolled out in three phases¹³² (in May 2015 nearing the end of phase two). A semi-online system has been developed and existing procedures have been refined where necessary. A new integrated system has been developed for issuing licenses, covering all critical control points in the CoC. Whereas the TLAS is based on existing systems, promoting its acceptance, improvements highlighted by the interviewed stakeholders include better procedures, semi-electronic systems, improved checks and balances, technical innovations, improved capacity building, improved clarity on roles and mandates of FC staff and improved data management and storage.
- All parties agree that technically most issues are (or will soon be) solved to enable starting to **issue FLEGT licenses**. It is expected that, once licensing commences, there will be a greater level of compliance as a result of current baseline verification audits being conducted. The VPA has allowed for institutional strengthening and stronger enforcement of existing laws which in turn will have the ripple effect that more companies will comply with legal and administrative requirements applicable to them. By virtue of not getting a license, companies will be forced to get their own houses in order. However, it is noted that even though the technical system may be almost ready and improved control mechanisms will be in place, there will be hardly any FLEGT timber to deliver. According to the Joint Review of the TLAS (2014) only 4% of all timber delivered complies with the VPA legality definition. This has several causes, among others the lack of conversion of old leases into TUCs and the existence of Special Permits (see the paragraph on TLAS in the Special Issues chapter). Political decisions are to be made to move onwards and enable further streamlining of legality. This is needed as there are still different views on what is “legal”. As the VPA is a subset of the wider Ghanaian legal context, there is the possibility that certain activities comply with the latter, while they do not comply with the former. As long as the “undesirable elements” of the wider legal context are not removed from it, this situation will

¹³⁰ Through the legal working group, civil society have prepared a position paper on tree tenure. This paper will be used to inform a review on tree tenure that is being led by the Ministry of Lands and Natural Resources.

¹³¹ The TVD provides an ‘internal audit’ function within the FC. This means that it is the responsibility of other divisions/departments to verify legal compliances and the role of the TVD to validate this verification through their audits.

¹³² Phase 1: pilot testing, system configuration, improvement of standard operating procedures, testing of user acceptance ; Phase 2: implementation of WTS with selected operators and forest district staff in 13 forest districts (out of 45 active forest district of a total of 54 districts) and staff of 8 TIDD area and zonal offices; Phase 3: complete roll-out in all active forest districts and completion of the bar-coding system. Phases 2 and 3 have training elements.

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pertain and cause confusion and problems in the sense that timber may not be “VPA compliant” while it is still “legal”, based on the wider legal context.

- The **engagement of stakeholders** during the VPA negotiation was mentioned as one of the main achievements¹³³ of the VPA process. Some interviewees expressed that even if the FLEGT license will never materialise, the whole exercise was worth the effort, especially for the engagement and inclusive policy development processes (“all were included, leading to ownership”). A multi-stakeholder platform was established allowing stakeholders to engage and build trust. The multi-stakeholder processes during the negotiation phase were much appreciated by civil society. During the VPA implementation phase, stakeholder engagement has changed (see the par on the multi-stakeholder consultation process). The private sector is engaged as well, but to a lesser extent. The lower engagement level may affect efficiency and sustainability.
- **Policy reform.** Next to a consensus-based legality definition, at least three policies have been developed by an inclusive process, of which two have been approved, and one is still under development. Despite the inclusive policy development there are still concerns about the overall legal reform that is needed to consolidate the legal context. One of the issues is the complexity around tree tenure: although farmers own the land and trees, the management of the trees is delegated to the FC and they cannot fell and/or sell the trees/timber. If a tree collapses, it may rot on their land, but the farmer cannot sell it. This seems unfair to the farmer and does not stimulate in any way resource conservation. Although the GoG had wanted to work on the overall legal framework, this has so far not materialised and the process has halted, with various perspectives in explanations, ranging from ‘lack of political will’ to ‘changing legal frameworks takes a lot of time’. Another explanation given is that the policy reform process was suspended pending the outcome of the challenge to the constitutional review, which is expected later this year. The need for legal and policy reform is internationally recognized, as became also clear during the latest Chatham House Illegal Logging Up-date meeting (June 2015)¹³⁴.
- The implementation and enforcement are said to have improved considerably: “We have sharpened our tools” (GoG). Staff in the field have arrived at a better understanding of the rules and regulations, and are applying them more consequently (see Audit Reports); there is now somebody looking over their shoulder. Complaints mechanisms are in place, there is a better understanding and application of the Social Responsibility Agreements (SRAs) and better data management. In the words of one official ‘there is sanity in the system’. Civil society and private sector actors confirm that governance has improved and that FC staff is now doing what they are supposed to. Revenue collection by FC is said to have improved significantly. Outstanding management plans are being finalised. A Rapid Response Unit has been established, trained and successfully employed. Ten (10) FC staff were also trained as prosecutors and this has helped to bring up cases against perpetrators. The improved relations of the FC with CSOs enable more effective prosecution as civil society can influence the public opinion, especially in support of “sensitive cases”. All in all, it may be stated that forest governance and law enforcement have been enhanced to a considerable extent and that there is improved administration and improved compliance.

¹³³ During the mission interviewees expressed the following main achievements of the VPA process: Successful engagement of stakeholders during the negotiation process (15 times mentioned), strengthened civil society (6 times), renewed attention for forest and forest governance, changed mind set and sharpened government tools for forest governance (9 times, while 1 time contested), strengthened communities that know and demand their rights (4), raised awareness of the private sector (4), attention for the domestic market (1), increase of revenues (1), and the VPA process as motor to embark on FSC and Sustainable Forest Management (2 times while 1 time contested).

¹³⁴ During that meeting the Ghana delegation was confronted with critical views of some participants.

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- **In terms of illegal timber coming to the market** the situation is reported to be changing in the right direction. According to TBI/FORIG (2010) the percentage illegal timber of the total volume coming to the domestic market was approximately 84% for the period between 1995 and 2005. FC reports that it decreased to 70% in 2008 and to 60% in 2010. FC estimates that by early 2015 the illegal percentage has been reduced to 50%. Over the last five years, TIDD has seen proof of increasing legal volumes on the basis of its LIC (Log Inspection Certificate) data. They noted also changes in awareness and mentality of the private sector. While the larger companies want to protect their investments and avoid conflicts with civil society, smaller sawmills are getting concerned about their access to resources. Traders on the domestic market, through DOLTA, are getting linked to SMEs with legal documentation as they are not interested anymore in illegal supply. According to FC staff it can be roughly said that the bigger companies fully comply with legal requirements, while the problem to be solved is still with the vast majority of small and very small companies and the illegal chainsaw millers. It is to be noted that some CSOs consider the “legal percentage” on the market to be much lower. They argue that the basis for establishing the legal percentage shall be the VPA legality definition instead of the “actual legal context” that is still affected by old legal arrangements that have not been removed, due to the outstanding legal reform. Similarly, the joint review of the TLAS came up with an estimation of only 4% legal timber, based on the VPA definition.
- **Just and equitable solutions** The private sector actors met are aware of the VPA process. The larger exporting timber companies are FSC CoC/CW certified and say to be ready for the Wood Tracking System (WTS). Due to this, for export to the EU, these larger companies do not see major issues regarding due diligence. SMEs, many of which produce for the domestic market, know about the VPA and the WTS, and have partly been trained on procedures to follow, but do not have a clear understanding on how it will affect their business and management. For a large group of (former) chainsaw millers, the VPA is a threat to their livelihood. Chainsaw milling is illegal and although the millers are aware of their illegal enterprises, they in general do not know how to develop alternative livelihoods. So a large part of the private sector involved in forestry - in particular chainsaw millers - risks to go out of business unless their small and family-based enterprises are supported in complying with legal requirements. For them sustainable and alternative livelihoods need to be arranged.
- **Communities** have become aware of the VPA and its consequences as well, through the work of NGOs, the Forest Forums and TVD. They are said to have a much better understanding of the SRAs and to claim their rights now more than before. This was confirmed through a visit to one of the communities and their Community Forest Committee. An issue is however, that it remains rather unclear to communities what benefits they can get from protecting their forest.
- **Capacity strengthening of the GoG/ Forestry Commission** has enhanced their capacities, e.g. by the training of staff of all units, by appointing internal auditors, by appointing TIDD inspectors and by sharpening their tools. Some major hurdles still need to be taken in the sense of further policy reforms and streamlining of contradicting laws and jurisdiction. The capacities of the GoG/FC to engage stakeholders has seen a very steep learning curve (their own words) during the negotiations phase.
- **The capacities of civil society** have strongly improved as well and this was mentioned as one of the main achievements of the whole VPA process (often mentioned, mainly by the civil society actors themselves). They have improved their legal and technical capacities, and have learned to collaborate with each other. ‘We speak with one voice now’, as one of them explained, which has strengthened their position. They also better coordinate their activities as to avoid duplication of activities concerning the VPA process.

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- **Capacity strengthening of the private sector.** Some of the actors have participated in VPA awareness gatherings, and very few have been involved in the first roll out of the WTS. As said the larger group of the private sector actors are yet to be involved and their capacities are to be strengthened with respect to the WTS and VPA process. Another problem is that private sector actors that have been trained, indicate that they wait with implementing what they have learned untilthe FLEGT licensing starts; they seem somehow to have understood that implementation is only really needed once the licensing starts. Such a wait and see approach is not only undesirable, because it does not bring the desired outcome (improving governance throughout the CoC) any closer in practice. It is also risky, because it might delay the issuance of FLEGT licenses significantly.
- **PPP.** A public procurement policy has been written, but the process is stalled. In February 2012 the Ministry sent the proposal to the Cabinet; the Cabinet asked for more consultations, due to the implications its implementation would have on other Ministries and Agencies. An FAO project (2013) developed guidelines for implementation and organised three consultations and engagements with PPP officials. Recently the Ministry asked for a copy of the guidelines to be attached to the policy proposal in order to present it again to the Cabinet. It is now with the Minister. The Cabinet is supposed to prepare a regulation, to be followed by GoG officials at all levels. Interviewees consider the PPP to be very relevant since the government is an important consumer of timber.
- **Effects of the EUTR.** According to the limited number of FSC certified larger companies (CW and/or CoC), they have not been effected by the EUTR. Some of them did not even get questions of their buyers; others did, and provided the requested documentation. Small millers indicate that they have not been affected by the EUTR either as they focus on the local market. However medium millers, who export to the EU, were confronted with a lot of questions of buyers and part of them with suspension of contracts. TIDD supported companies by providing the necessary documentation.

Before the EUTR a lot of Due Diligence work (and investments) was done in preparation of FSC full standard certification (FSC-FM). When the EUTR came, the interest to go for FSC-FM level decreased, especially with SMEs. The difference between the bonus price for FSC-CW (15%) and FSC-FM (20%) is limited and may not stimulate further steps towards SFM.
- According to several actors from civil society, **transparency** has been increased. FLEGT has put the spotlight on the forest sector; people now know about the problems with tenders, which leads to increased transparency. With respect to law enforcement, it was mentioned that in some cases there was high level political resistance to prosecute certain offenders, but due to the consistent and insisting approach by the FC and support from CS, influencing the public opinion, political support to perpetrators ceased. Also in these cases increased transparency contributed to better governance. Also, commitments were set out in the VPA on documents to be made public. Recently there has been a lot of discussion about the resistance encountered to making particular pieces of information public. The debate between CSOs and government shows how the VPA as a tool allows this dialogue to take place.

On EQ4 (implementation management and coordination):

- To facilitate the implementation of the VPA the following institutional changes were realised:
 1. The original Steering Committee evolved into the MSIC;
 2. The TVD (Timber Validation Department) was established. The TVD holds the secretariat for the VPA implementation and is coordinating the development of the TLAS. It has a

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timber verification department responsible for internal audits, with a view to ensure the verification by other FC business units is done well and maintain the credibility of the system. Before there was “nobody that looked over the shoulder”; now TVD is responsible for internal audits.

3. The TVC (Timber Validation Committee) was established in April 2014. The TVC has to a) oversee the functioning of the TVD and resolve complaints (no complaints yet) and b) oversee the licensing (not yet active). The chair of the TVC is a very high legal officer.

- As mentioned earlier, civil society has been fully engaged during negotiation. CSOs have been integrated (M-SIC, JTIM), lead on a number of issues (SRAs, transparency), try to guide GoG by the issuance of position papers on legal reform issues and are part of a working group to develop Special permit guidelines, among others. Nonetheless CSOs feel that their engagement has been rather limited during implementation. According to the FC it is not necessary to involve them in technical issues. However not all issues are that technical (e.g. SRAs, off-reserve logging). It would be better that civil society could support development of related procedures straight away, than that they afterwards have to complain and suggest adjustments (less efficient, less participatory, less transparent).
- Similarly the private sector indicated that their involvement during the implementation phase could have been better, e.g. with respect to the development and testing of procedures of the Wood Tracking System. Now these procedures had to be changed; if they would have been involved from the start, they could have identified the problems at an earlier stage and have avoided delay. One source suggested that a limited number of companies had been involved in the testing precisely to identify challenges of the private sector. May-be this has not been communicated clearly; at least the feeling of limited involvement seems to persist with the private sector.

On EQ5 (achievement of objectives):

Reduction in illegal logging and related trade

- Figures on legal and illegal logging are rather ambivalent and unclear, due to the confusion on the legality definition to be used (“VPA compliant” vs “compliant with the wider legal context”). Chatham House (2014)¹³⁵ states that in 2012 the domestic market has outgrown the export market (1.8 million m³ RWE versus 0.8 million m³ RWE respectively), and that 90% of the domestic market was supplied by the chainsaw millers, meaning that 90% of the domestic timber is illegal timber. Chatham House estimated that in 2010 25% of the illegal timber was supplied by large scale producers. According to the FC this illegal supply has stopped due to the TLAS and the supply of large producers has become fully legal. Chatham House (2014) suggests that, in general, about 60% of the RWE volume of tropical timber (other than logs) exported from Ghana was likely to be illegal during 2000 and that that percentage had fallen to roughly 40% by 2010, but had subsequently remained at that level. The latter trend reflects the reported increase in illegal allocation of permits (including for rosewood destined for China) and slow progress in implementing the VPA. The export of logs is prohibited (unless they derive from plantations). In practice this concerns mainly teak.
- Studies of TBI and FORIG indicate that the percentage of illegal timber on the domestic market is decreasing: 84% in 2005, 70% in 2008 and 60% in 2010, while the FC estimates

¹³⁵

A. Hoare, 2014; Illegal Logging and Related Trade - The Response in Ghana - A Chatham House Assessment.

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that actually 50% is still illegal. Although there is a way to go, there seems to be a clear and steady improvement.

- During interviews it was stated by various GoG officials that the percentage of illegal timber has reduced significantly but the evaluation team cannot substantiate this based on available data. This decrease would be related especially to timber harvested through the large and medium companies, where conditions are said to have improved considerably. At the same time it is noted that the production of illegal chainsaw timber has been affected far less than desired (“marginal decrease”). It was also mentioned by FC staff that - based on monitoring data - it cannot be confirmed that the amount of (illegal) chainsaw lumber on the domestic market is decreasing significantly. The demand is high due to expansion of industries, need for building materials and furniture, and the need to produce at low costs. FC cannot influence these factors.
- As discussed before, the trade to the EU has decreased from 40% of the export volume to 22%, while export to the regional market, China and India has significantly increased. Although these other countries are less demanding in terms of legality, the TLAS will cover all exports.

Forest law enforcement and governance

- It is recognised by different stakeholders that forest governance is improving. According to FC directors, due to additional training and awareness creation their staff now better understand the regulations (and the same probably applies for civil society and those parts of the private sector that have received training). After internal audits had identified that adherence to the logging manuals and regulations could be further improved, it was given yet more focus. Other improvements mentioned include the increased registration of companies by TIDD, the increased number of border controls, improvement of the regulatory environment, the improved quality of audit reports and the new electronic system that allows faster and safer registration of similar information as was collected before and the improved monitoring of SRAs (checking whether communities really receive what they are entitled to – at least 5% of the stumpage fees). Since the VPA the FC has also started to increase awareness of and to educate land owners (chiefs), communities and loggers.
- Prosecution has been intensified, due to the training of FC staff on Forest Law related offenses. This has been very helpful as regular prosecutors are not so much informed and many offenders were released without a proper punishment. The Rapid Response Units may also contribute to improved prosecution. Although no statistics were available to check this, even jail terms are said to be served.
- According to some stakeholders the position of DOLTA was considered very key as well, as they were involved in financing guys to rob the forest. Through FLEGT this issue was addressed and they are now cooperating.
- As one interviewee put it: “Complying with the law is an ideal situation, but not very common in Ghana. But through the VPA we are changing attitudes”.

On EQ6 (Other, emergent outcomes):

- At Asenanyo Forest Reserve, Nkawie District, Ashanti Region, the evaluation team encountered a Community Forest Committee with highly motivated monitors, despite the absence of direct benefits (by the start of their involvement in 2011 they had been made aware of the importance of their task and had received only minimum incentives to execute it. Three years after finalization of the pilot project the group of 15 members still patrol their forest 3 times a week. Their efforts have been useful: several perpetrators were arrested

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and prosecuted with success, but there were also cases in which they came too late. Although they have earned respect of their co-villagers they have not been able to get any financial compensation from the community. Under pressure of their families, they have decided to stop by the end of the year, if they will not get any incentive. This case shows that even in the case of apparent “hero’s of forest conservation” there are limits to their motivation in view of basic livelihood needs (see more info on the case under EQ9).

- VPA implementation does not only positively affect the work of FC at different levels of its organization (FSD, TVD, RMSC, TIDD), but also other ministries are getting more involved in effective control, such as the Ministry of Labour (verification of compliance of CoC companies with respect to labour related VPA requirements) and Customs Services (verification of compliance with export requirements).
- NREG Annual Summits shared experiences between the FC, the Mining Commission (MC) and the Environmental Protection Agency (EPA) in order to seek an integrated approach for policy implementation. Some stakeholders suppose that lessons were learned from the illegal sawmilling approach and were applied to the galamsay context (illegal small scale gold mining). According to the MC, they did not adopt VPA elements. The MC went on a road show covering the entire country to facilitate the development of a responsible small scale mining (SSM) sector policy, identifying policy gaps in SSM, key issues in SSM and other stakeholders related to SSM issues. At the same time they tried to sensitize people on regulations and create awareness. The road show resulted in a draft framework for sustainable SSM, which is now supported by the NREG–TA phase of the WB.
- When the GoG was working on the Extractive Industries Transparency Initiative in 2003 (first for mining, afterwards for oil and gas) they wanted to apply this also to the forestry sector. However, there was already the FLEGT initiative, which has - among others - the potential to increase transparency in the sector, so there was no need to duplicate the effort. It is very important for the GoG to be more transparent; this has stimulated successful engagement with EU Member States on a bilateral basis.

On EQ7 (contribution to higher objectives):

Sustainable Forest Management

- An effect of the VPA is that the preparation of forest management plans is being completed; although this is a legal obligation, this enables the missing plans to be made and existing ones to be up-dated in line with the new forest policy. This is an important step towards the sustainable management of the forest reserves. The VPA requires compliance with forest management and harvesting regulations, which has a positive effect on the conditions of the remaining forest, after logging operations have been completed. The FSC certification of the larger companies only refers to the CoC standard and FSC Controlled Wood standard. As the forest reserves are managed by the FC (and the concessionaires are only permitted to log inside of the forest management units), certification for the FSC SFM standard would result more complicated.
- Resources are rapidly disappearing. If there is less forest left, the VPA would be less relevant. The resource base is going backward and strategies to build up the resource base have not been very successful so far. One of the strategies is plantation development, but there is a lack of money for the maintenance of existing plantations (in 2013 and 2014), and there is no money for establishing new plantations. Another strategy is import of raw material. So far pilots on importing timber from Cameroon, Liberia and Guyana have not been very positive due to high extraction costs. It was suggested by TIDD and private sector representatives that the GoG should lower taxes on timber imports, providing a chance that this strategy would deliver positive results. It might help to keep the industry running and

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thereby providing some relief to the continued pressure on Ghana's forest resources (but it might have a negative effect on other country's resources).

Poverty

- According to all stakeholders the empowerment of communities has increased due to the VPA. Platforms like the multi-levelled forest forums (at district, regional and national level) provide local groups with opportunities to influence; there is more serious grass-roots interactions and the law establishes that farmers need to give their consent for off-reserve logging. This indicates there is better articulation of the interests of farmers.
- Also through training and awareness creation communities are said to have become more aware of their rights with respect to SRAs and they are said to have started to claim those.
- There are no indications of significant contributions towards poverty reduction so far. On the contrary, chainsaw milling was better enforced due to the VPA and while a considerable group of actors got affected by this measure, insufficient attention has been given to supporting them to find alternative livelihoods. The concern is that the loss of livelihood of the illegal loggers, the lack of alternative livelihoods, the limited access to resources, and the lack of financial means to invest in alternative ways of living may force those people to continue the undesired illegal practices. The lack of concrete benefits for the CFC members, and domestic problems created by that, deriving people from their time and opportunity to generate an income, shows that when communities are to be included in protection schemes for the forests they own as a community, at least mechanisms shall be developed to ensure that they are properly sharing the benefits.

On EQ8 (efficiency):

- Studies on costs made in view of VPA compliance have not been done in Ghana.
- The costs related to the VPA mainly reflect the fact that enforcement has become stronger so that the costs for being legal (which were supposed to be made years before the VPA, e.g. in relation to legal establishment of companies and related permits) are now really required to be made, in order to be compliant with the legal framework. In other words: the VPA only requires compliance with the existing laws. Nonetheless, some stakeholders consider that the VPA brings additional costs for several types of stakeholders. E.g. logging companies are said to have to employ a professional forester; companies in the CoC have audits costs; there are cost for Due Diligence in timber tracking; additional administrative costs and possibly some costs due to investment needs in modern technology.
- According to FAWAG representatives, the tracking of timber through their workshops is more demanding, due to the administrative requirements of the TLAS; it however helps to use resources more wisely. They expect that the costs (office, electronic, data administration) will increase a bit, but are not yet sure how much. However they expect the benefit to be greater. There is the possibility of market access to the EU (actually only few members export), which they consider as an interesting perspective, which may bring potential benefits. Also, once the PPP is functioning, it will be helpful to assure continued access to the GoG market (which represents according to FAWAG 60% of their sales). Also there may be a positive effect on prices, as cheap illegal timber would be closed out.
- Artisanal millers indicate that the use of mobile sawmills allows to increase the recovery rate from less than 50% to between 65 and 85%. Some pilot projects on artisanal milling have been developed by TropenBos International within the context of the FLEGT AP. So far the artisan millers involved are still struggling with problems related to access to raw material, access to equipment and profitability of operations.

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- SME sawmills owners are convinced that the VPA is important for the continuation of their business. Illegal loggers are their major problem (causing direct cost of protection of their concessions, losses of raw material in case of theft, costs due to higher local scarcity and need to search for supplies at greater distance). They have created awareness and have been trained, but do not prepare yet for the implementation of the VPA. They do not have full oversight of the cost implications for their enterprises resulting from administrative and/or labour requirements, as they do not implement the required changes yet.
- Larger companies indicate that FLEGT has helped them to advance and achieve their FSC certifications (CoC and Controlled Wood). They do not see the VPA related costs as problematic; they consider the certification a good investment show compliance and thereby access to the EU market and indicate to be in favour of the VPA and legality.
- The FC estimates the average costs caused by the WTS at US\$ 12/ m3.¹³⁶ With higher trade volumes unit cost could drop. So far the investment and running cost of the WTS have been paid by the EC. The FC is yet to define a strategy for financing the latter.
- A GoG representative at MoFEP considers the FLEGT AP elements (as implemented in Ghana) as “efficient, compared to other programs”. There is a lot of confidence in the SC/MSIC and the coordinating office (TVD) in the FC. The FLEGT coordinator is said to be very efficient. Of course there have been technical challenges and it is a capital intensive programme, but a lot has been achieved (including in the field of forest governance).

On EQ9 (sustainability):

- According to WB (2007)¹³⁷ environmental degradation in Ghana represents almost 10% of the GDP. The forestry sector is very important for Ghana at the long term, but the GoG seems yet to have different priorities. Ghana has been categorised as mid-income country as a result of which development cooperation funding has been limited. After the Natural Resources and Environmental Governance (NREG) program stopped in mid 2013 not much happened for a year or so, until the UK came in with money (6 M € for 3 years), which boosted the development of the TLAS significantly. The EUD considers that in such a case the EU should take its responsibility and support the country with a few M €/ year instead of asking it to pay for VPA implementation itself¹³⁸. Such a heavily donor-based approach however, may not be very sustainable. The VPA is an agreement that Ghana signed up to with no promise of money, emphasizing the national ownership and thus prioritization of commitments through the Ghanaian budgets. To avoid unsustainable effects, the idea is to provide support for the investment costs, but not for the running costs. In this sense, the Government must also ensure that it is considering how costs will be covered once the system is fully operational.
- The FC does not always receive the necessary funding from GoG to implement their tasks (2013, 2014) and are left to their Internally Generated Funds - IGF (which are insufficient); this is a risk for sustained implementation of the VPA. Representatives of MoFEP consider that GoG cannot go back. GoG has to continue supporting this initiative in the future. At the same time they identify that the GoG does not fully realise the potential contribution that the forestry sector can make to the national economy, on the one side by generating income, and on the other side by avoiding losses due to limited tax payments, and avoiding costs, due to climate change effects like floods and droughts (e.g. the case of the electricity

¹³⁶ A more detailed cost overview has been requested (and promised) during the field mission and as part of the Producer Country Survey, but has not been received, complicating an analysis of cost and benefits.

¹³⁷ World Bank, 2007; Country Environmental Analysis of Ghana.

¹³⁸ In line with this approach the EU has resumed funding through NREG in the course of 2015 (€ 7 million).

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cuts resulting from the low water levels in the Volta Dam). More attention to such links is suggested to convince the GoG that investments in the Forestry Sector can pay-off and deserve higher priority.

- Whereas the multi-stakeholder process did get considerable attention during the negotiation phase, and has been institutionalised to some extent on paper, in practice stakeholder involvement is experienced as more limited, e.g. due to not calling the number of stakeholder meetings foreseen or by not providing information requested. Some CSOs fear that the benefits of effective coordination with civil society are deemed to get lost if stronger institutionalisation does not happen. According to some CSOs there is still a lack of openness, especially on verifications. Access to information and participation in the implementation phase has been more difficult than in the negotiation phase. Yet these issues are considered important for the credibility and the sustainability of the VPA and TLAS system. Although there have been examples of punctual influence by civil society (e.g. with regard to the non-acceptance of proposed FC regulations), there is a call from civil society for more frequent and more genuine involvement.
- Sokoban wood market traders fear that they will lose their actual jobs, due to the VPA. They ask for focus on alternative livelihoods (including for jobless youth), plantations and training at local level. However according to the FC, in 2014 and 2015 no GoG money has been made available for establishment of new or maintenance of existing plantations. Without such programmes (which are also needed to replenish the raw material resource base) it will possibly be difficult to halt the illegal logging of existing forest resources.
- Artisanal millers, supported by TBI, have been sensitized and promoted to change their original illegal way of living, based on chainsaw logging, for a legal one, based on alternative livelihoods and milling with mobile sawmills (woodmizer, lucas mill, husqvarna). Representatives indicated to be happy now with their legal way of life, without need to fear for police harassment. Since 2012 10 artisanal millers associations have been established in Ghana; in June 2015 a national federation of artisanal millers will be established. Part of the associations is involved in (agro-forestry) plantation development (taungya); others are involved in artisanal milling and/or charcoal production with innovative kilns. Associations have been sensitized, trained in practical aspects, supported with a business plan and provided with mobile saws (on loan; to be paid back) and/or innovative kilns. Out of three associations interviewed, however all three have serious problems with either machinery delivered, access to finance for investment/ repairs/maintenance and/or access to land and/or raw materials. If these problems are not solved, there is a considerable risk of falling back into old habits. One of the associations started in 2012 with 60 people. At the start all went smooth, but within a year their machine broke down. The agent came along, but did neither repair nor replace the machine. TBI wanted to replace the machine, but after one year that still did not happen. Meanwhile membership has reduced to 30; others may follow if nothing happens. Other associations received support of TIDD and TBI to get a) logs and b) residues from logging companies. Experiences with the former included late delivery (a half year after advance payment), poor quality of material delivered and increased prices compared to original agreement. For the association that has been able to function relatively best, the margin has been very limited (GHS 900 on an investment of GHS 75,000, representing a return of 1,2 %). Although the association members are convinced that it can work and although FC and TBI are providing support, several practical problems have to be tackled in order to make it work better and provide the necessary sustainability to the scheme. TBI estimates that the country could fit approximately 360 artisanal millers associations and indicates that they would have the capacity to train them all. It is recommended however to rather first focus on improvement of the actual schemes and

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lessons to be learned, before expanding to additional areas. Given the number of chainsaw millers, it is not possible to give them all forest related jobs.

- The implementation of a PPP in Ghana is needed to provide the sellers of legal timber on the domestic market with access to the GoG market. Actually prices on the GoG market are negatively affected by cheap timber from illegal sources.
- **Community Forest Committee:** in 2011, as part of a AFC FAO FLEGT project, CFCs were formed in Forest Fringe Communities (FFC) located around two Forest Reserves. The objective of the pilot project was to involve local communities in the protection of their forest reserves against perpetrators. After democratic election CFCs were installed (approximately 15 men per community; 10 communities for 1 Forest Reserve) and their members were trained. Each of them was provided with a limited number of incentives: 1. a pair of rubber boots; 2. a rain coat; 3. a cutlass; 4. a T-shirt with logos and slogans of the project; 5. an ID card, enabling them to arrest perpetrators. The forest fringe is located at 1 km from the village, but they have to walk considerable distances in order to cover their area of interest. They are not armed and patrol the forest area at irregular intervals, on average two days per week, with the entire group. In case perpetrators are detected and located, they keep some distance and call upon the FC for support (mostly the perpetrators are armed). Their work has been of use; several perpetrators were arrested (e.g. 5 in 2014) and effectively prosecuted. Nonetheless, besides the incentives received at the start they did not receive any other incentive or compensation for their time spent, neither from the FC, nor from the community. As a result their wives complain that they are involved in activities that are not remunerated (so many years, during two days a week). Although they are convinced about the importance of their task, they have agreed to stop by the end of the year, under pressure of their families, if this situation continues. There seems to be friction between this democratically elected group and the local chief who has the traditional responsibility for regulating resource use at local level. If the CFC had been established with support of the local chief, financial support from the community could be channelled to the group (from stumpage fees and/or SRAs), which would make the scheme more sustainable. Additionally more community members could be involved in the CFC, to enable spreading the time investment over more people; during the interview 3 bystanders of the local community (not members of the CFC) indicated that they would be willing to join the group.

On EQ10 (coherence and added value):

- MoFEP representatives indicate that due to the status of middle income country donor funding and IMF grants have decreased dramatically. The GoG will focus its funding efforts on priority areas. It is important to focus on the possibility to increase tax revenues for GoG through improved forest governance, to convince the Minister of MoFEP to invest in FLEGT implementation. Also, awareness is increasing on climate change, the resulting low water level in the Volta dam area and in turn the resulting recent power cuts. It is therefore important to link FLEGT with improved resource management and conservation.
- REDD and FLEGT are both causing the need for adjustments in regulations and laws. Partly they reinforce the same message. Focus of FLEGT and REDD legal processes has been on issues like benefit sharing, user rights, improved governance, more transparent decision making. The VPA and REDD processes were rather separate processes; now they see the need for a consistent approach between the two and strategic collaboration.

3 **Main Conclusions and Recommendations**

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Conclusion 1:

Despite the absence of FLEGT licenses, interviewees from both the GoG and the civil society see the VPA process as a very valuable process that has brought about important achievements, especially in the fields of stakeholder engagement in policy development and reform. The multi-stakeholder process was classified as ‘unprecedented’, and ‘unique’. Yet, the level of stakeholder engagement is found to be lower during the implementation phase than during the negotiation phase as the Forestry Commission offers fewer opportunities to engage, which is mostly due to a certain fatigue created by the time-consuming and costly process, as well as to a feeling of limited urgency to discuss mostly technical issues with stakeholders. Both civil society and private sector stakeholders indicated that they would appreciate more frequent engagement and more systematic involvement in the implementation and they argue that this would help to make the VPA implementation process more efficient. Another argument to do so is that it would allow keeping up the spirit of cooperation and trust between stakeholders and increase the sense of ownership, which contributes to sustainability of results.

Recommendation 1:

Ensure that the multi-stakeholder platform and processes continue to enable positive interaction, cooperation and sharing of outcomes among all stakeholder groups, thereby providing a basis for transparency, trust and ownership of FLEGT-VPA results, contributing to higher efficiency and sustainability.

Conclusion 2:

The private sector is a very diverse group of actors with very different stakes. The large millers/traders will move forward and comply with the VPA and the EUTR; the group of middle and smaller millers/traders/manufacturers is aware of the VPA process and has partly been trained, but is applying a wait-and-see approach and has little clue as yet on how the VPA may influence their business. And the large group of chainsaw millers may lose out if VPA provisions are strictly adhered to. They are operating illegally and are aware of it, but most have no access to the means required to operate legally or to alternative livelihoods. Some projects have started to address their needs, but results are punctual and ambivalent. If this challenge is not well addressed, it presents a major risk to the successful implementation of the VPA, in particular the implementation of the TLAS on the domestic market.

Recommendation 2:

Increase the support for a) implementing the TLAS by SMEs (training, technical assistance and accompaniment for effective compliance) and b) identifying, developing and promoting alternative livelihoods for chainsaw millers.

Conclusion 3:

GoG has indicated that it intends to start the implementation of the TLAS at the same time for all regions and all stakeholders in the country, once the phased rolling-out process of the Wood Tracking System (WTS) is finalised. The argument is that such approach will provide the rules of the game for all stakeholders in an equal way and avoid advantages for certain groups of stakeholders or regions, which in itself is laudable. GoG intends to start implementation of the TLAS, including the issuance of FLEGT licences, as soon as possible, possibly before the national elections in 2016.

Some stakeholders in the private sector have been trained, over the last years, on how to apply the WTS and comply with TLAS requirements. However, they are not yet applying the new practices as they are awaiting implementation of the TLAS, and this does not facilitate introduction of the TLAS.

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Considering a) the big group of SMEs that is yet to be trained and guided on how to comply with the VPA requirements and b) the huge group of illegal chainsaw loggers, many of which have not yet been involved in the FLEGT process and/or have not yet been convinced to change their practices, the effective implementation of the TLAS might still require considerable time and efforts, especially for the groups that operate only in the domestic market.

It is questionable whether the GoG approach to introduction of the TLAS (implementation at once for the entire forestry sector) is practical and feasible. Application of a phased approach, starting with all registered companies involved in exports, to be followed by those that do not export but supply the domestic market, would a) allow the stakeholders involved in exports to start TLAS application soon and gain the necessary experience; b) allow to start the FLEGT licensing according to planning in a way that can be controlled; c) provide the necessary flexibility for stakeholder groups operating in the domestic market to start implementation once they are better prepared for it.

Recommendation 3:

Consider applying a phased approach to the introduction of the TLAS, differentiating between registered exporting companies and stakeholder groups operating in the domestic market, and establishing a feasible planning for phased introduction per category of operators.

Conclusion 4:

Ghana engaged in the VPA process since the GoG assumed it would contribute to its efforts to improve Sustainable Forest Management, a policy goal it was already pursuing. Important steps have been made in combating illegal logging and improving forest governance and the efforts may be starting to contribute to Sustainable Forest Management. However, important issues such as the implementation of the public procurement policy, the effective conversion of old concessions into Timber Utilization Contracts and the acceptance or not of special permits issued at the discretion of the Minister, are beyond the level of the FC and need to be solved at a higher, political level. Also, whereas the GoG has supported the VPA process all the way through, relevant elements in the VPA context have not always had funding priority. The VPA is based on the legislative framework and has identified areas of legislative reform thus helping to clarify the ambiguity which was present in the framework at the start of VPA negotiations. Nevertheless, due to persisting issues like the conversion of old leases and the acceptance of special permits, there continues to be confusion on what can be considered to be legal. Although the VPA was ratified - as law - and provides a good basis for legal reform, such reform has yet to be implemented to result in a *commonly accepted legality concept* for use within and outside the FLEGT context.

Recommendation 4:

To the GoG: Ensure the necessary strategic financial support, policy approval and legal reform to ensure successful implementation of the VPA.

Conclusion 5:

The VPA process in Ghana has taken many years, from the pre-negotiation to the implementation phase. Whilst progress has been made on multi-stakeholder processes, preparation of policies, law enforcement, institutional understanding, institutional collaboration and the development and introduction of a TLAS and WTS among others, the TLAS is not yet being implemented and FLEGT licenses are not yet being issued. In the meantime, the resource base has further degraded, decisions on important policies like the PPP are stalled and completion of the full legal reform process, considered essential to provide a commonly accepted legality concept, is halted. While major delays were caused due to contracting of service providers and implementation as well as

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management of contracts, at one stage, delay was also caused by lack of national funding until funding by a EU Member State came in to boost the process again.

This gives rise to the question whether, within the complex Ghanaian context, the VPA process could not have been more efficient, e.g. by agreeing bilaterally on a) mechanisms that promote process flow and help avoid delays and/or b) preconditions to be met within certain timeframes, such as legal reform, national funding or certain milestones.

Recommendation 5:

Agree between the signatory parties of the VPA on mechanisms to promote an acceptable (to those parties) flow of the VPA process and on preconditions to be met within certain time frames, in order to promote a more efficient implementation process.

Conclusion 6:

The forest resource base of Ghana has been further depleted over the last ten years and whilst the demand on the domestic market is increasing, the pressure on the remaining forests is on the increase too. Strategies to solve the obvious future supply problem through a) plantations and b) import from other countries, have not been very successful so far, due to (a) a lack of funding for establishment and maintenance of plantations, and (b) the high cost of extraction and transport respectively.

Recommendation 6:

To the GoG: Complement VPA implementation with a forestry investment programme stimulating the recovery of the resource base, through establishment and management of forest plantations, in full recognition of the forestry sector potential – among others for employment and revenue generation.

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Annex 1 Itinerary of the FAPE mission to Ghana

Date	Time	Place	Activity
Th 31/04	Morning	The Hague	Visa collection Ghana Embassy (PZ; MA)
Fr 01/05	All day	NL	Preparation (contacts, reading, planning, methodology, practical); PZ; MA
Su 03/05	Morning		Departure from The Netherlands (PZ; MA)
	Afternoon		Reading (PZ;MA)
	Evening		Arrival Accra (PZ, MA)
Mo04/05	Morning	AC; hotel	Briefing FLEGT AP Facilitator (FAPF), Clare Brogan (PZ, MA)
		AC; FC	Briefing FLEGT Coordinator, Chris Beeko (PZ, MA)
		AC; FC	Interview with TIDD Ex Dir. Ben Donkor (PZ, MA)
		AC; FC	Check of preliminary agenda (confirm meetings, visits)
	Afternoon	AC; EUD	Briefing EUD, Mr. Bart Missinne, Chris Ackon (PZ, MA)
	Evening	AC; hotel	Skype interview former chairman SC, Alhassan Attah (PZ, MA)
Tu 05/05	Morning	AC; Tema	Interview Elijah Yaw Danso, FLEGT consultant (PZ, MA)
	Afternoon	AC; FC	CS SH meeting Accra, Albert Katako, CARE; Eric Lartey, FoE; Clement Akapame, CE (PZ, MA)
		AC; FC	Interview TVD Dir. Chris Beeko (MA)
	Evening	AC, FC	Planning/confirming meetings (PZ)
		AC, town	Interview FAPF, Clare Brogan (PZ, MA)
	AC, hotel	Internal discussion evaluation team (PZ, MA)	
We06/05	Morning	AC; FC	Interview TVD Manager Verification Richard Gyimah (PZ)
		AC; FC	Interview FSD Operations Dir. Alex Boadu (PZ)
	Afternoon	AC; FC	Interview CR, Samuel Mawutor, Obed Owusu Adai (PZ)
		AC; MC	Interview Mining Commission, Ag. Dir. Policy Planning, M&E Division, Richard Kofi Afenu (PZ)
	Afternoon		Flight to Kumasi (PZ, MA)
Th 07/05	Morning	KU, FC	Interviews FC Kumasi: -RMSC Director, Edward Obiaw; -RMSC Manager Collaborative Forest Management, Alex Asare; -FSD Regional Manager, Alex Aduro Barnie (PZ, MA)
		KU, town	Interview Assistant Manager and Prosecutor, Frank Owusu (PZ)
		KU, Sokoban	Visit to Sokoban Wood Market Group discussion (illegal) loggers and traders (32) and DOLTA representative; (PZ, MA)
		KU, LLL	Visit to logging company LLL (incl. tour on company grounds); Interviews with Managing Director Avedis Jeghalian, certification manager Clifford Segborwotso (PZ, MA)
	Evening	KU, hotel	Group discussion CS SH Kumasi: -NDF (Glen Asomaning); -National Forest Forum (Doreen Yeboah); -KWC (Gustav Adu); (PZ, MA)
Fr 08/05	Morning	KU, TBI	Interview FAWAG representatives, Said Ntiamoa Boateng, Christopher Dadzawa (PZ, MA)
		KU, TBI	Group discussion with representatives Artisanal Timber Miller Associations; Justice Armah; Agyemin Boateng; Emmanuel Torsu; Justice Abeiku (PZ, MA)
	Afternoon	KU, TBI	Group discussion TBI Ghana EU Sawmilling project team, James Parker, Mercy Okusu Ansah, Jane Juliana Aggrey, John Amonoo, Evans Mensah (PZ, MA)
		KU, TBI	Interview TBI Ghana Dir. Samuel Nketia (PZ, MA)

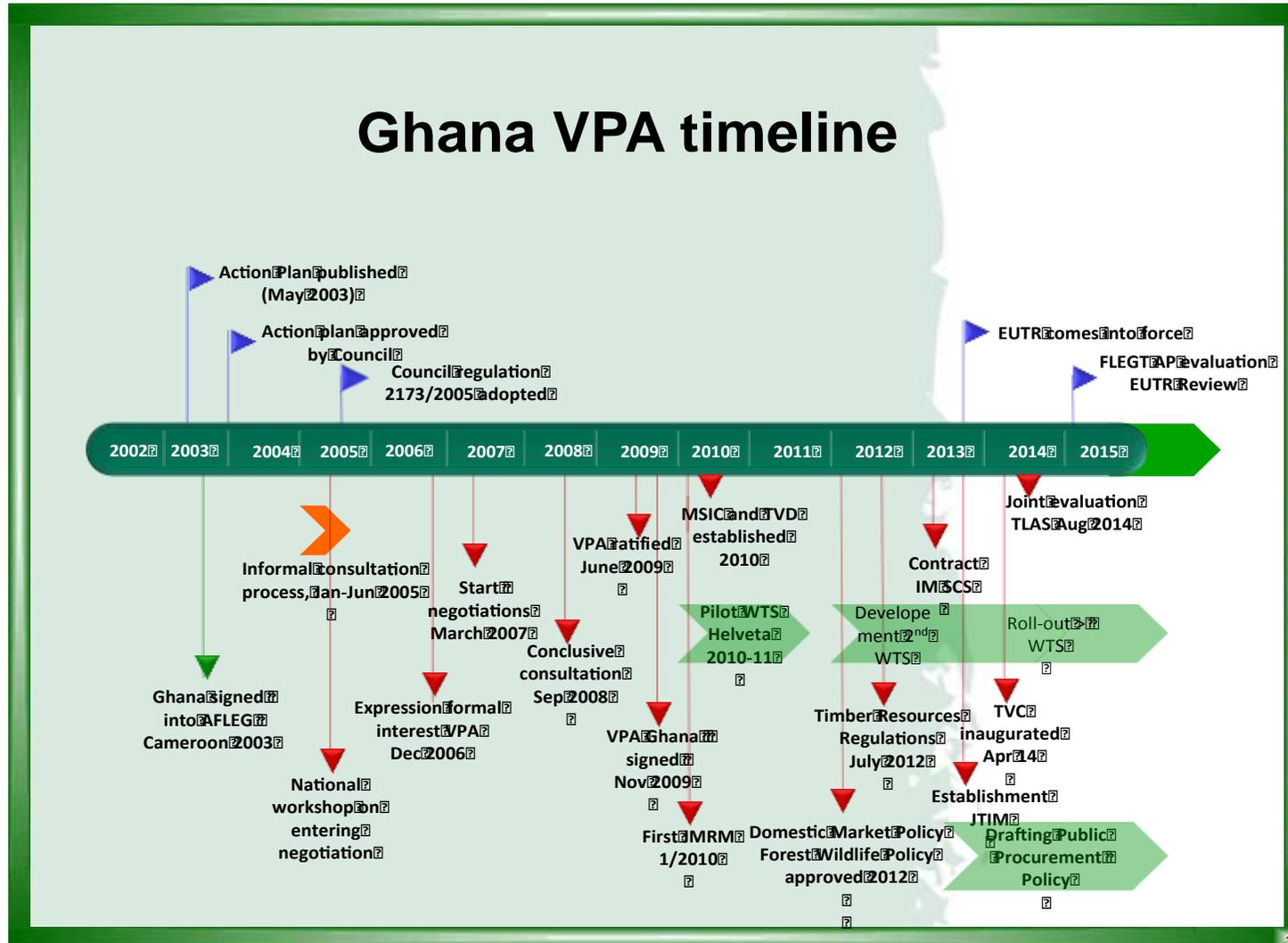
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	Evening	KU, hotel	Internal discussion evaluation team
Sa 09/05	Morning	Nkabie	Field visit 3 SMEs in Nkabie district, Ashanti Region; interview Emmanuel Dandjima (PZ, MA); interview Emmanuel Amankra (PZ, MA)
	Afternoon	Nkabie	Field visit Avota Community and CFC members (PZ,MA)
	Evening	KU, hotel	Team meeting, analysis
Su10/05	Morning	KU, hotel	Team meeting, analysis
		KU, hotel	Interview RMSC Dir. Edward Obiaw (PZ, MA)
	Afternoon		Flight to Accra (PZ, MA)
	Evening	AC, hotel	Preparation SH reflection meeting (PZ, MA)
Mo11/05	Morning	AC, MoFEP	Interview MoFEP, NAO Samuel Aggrey (PZ)
		AC, MoFEP	Interview MoFEP, Franklin Ashiadey (PZ)
		AC; hotel	Preparation SH feed-back meeting (PZ, MA)
	Afternoon	AC, EUD	SH feed-back meeting, Bart Missinne, Chris Ackon, Clare Brogan, Chris Beeko, Ben Donkor, Albert Katako, Clement Akapame (PZ, MA)
		AC, EUD	Debriefing, Bart Missinne, Chris Ackon, Clare Brogan (PZ, MA)
	Evening		Travel to NL (PZ, MA)
Tu 12/05	Morning		Reporting
	Afternoon		Reporting
	Evening	NL	Arrival NL
We13/05		NL	Reporting
Fr 05/06		NL	Skype interview with director of AMG, George Kuru (service provider Wood Tracking System)
We10/06		China	Interview director GTMO, Kwame Asamoah Adam (MA)
Th 25/06		London, CHH	Interview Ghana timber exporting company (Ayous)
Fr 26/06			Meeting Hon. Minister MNRL, Dr. Nii Osah Mills
			Update-interview TVD Dir. Chris Beeko (PZ)

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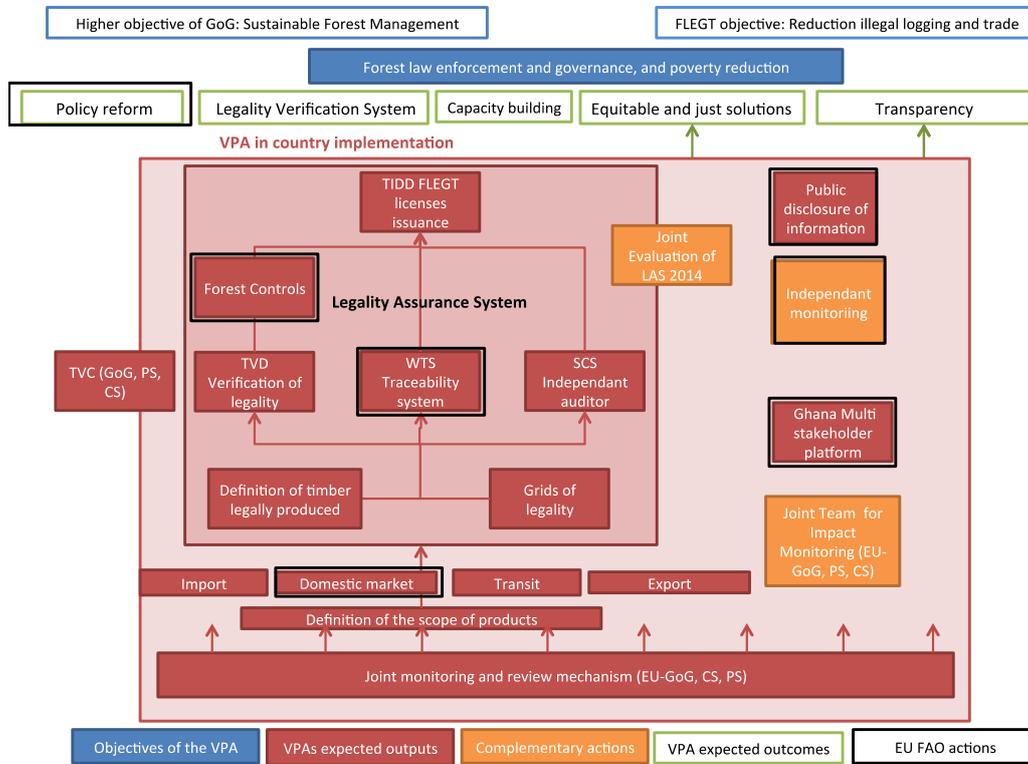
Annex 2 FLEGT timeline Ghana



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Annex 3 The intervention theory of the Ghana VPA



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Annex 4. EUTR effects

In the actual situation there is no functioning TLAS yet and thus no FLEGT licensing. At the same time the EUTR is in force, with the effect that buyers in the EU want to protect themselves. According to the FC and the private sector the EUTR has had the following effects:

1. It is stimulating the registration of exporting companies as buyers ask for that information;
2. Both FC, private sector organizations as Ghana Timber Millers Organization (GTMO) as individual companies have received many requests (from buyers in the EC) for information to enable the operation of Due Diligence Systems. The enquiries for information, raised a lot of concerns, and lead to the suspension of contracts of suppliers and an increased workload of FC, GTMO and companies.
3. Information was provided on request by TIDD, GTMO and individual companies. Both TIDD as GTMO developed a list of documents to be used for DDS. GTMO members send a checklist with supporting documents to their buyers. The latter include: harvesting right (concession, TUC, permit with numbers/volume), financial obligation/ paid stumpage, land rent (fee for concession, charged per ha), a copy of Social Responsibility Agreement, volume of trees to be harvested, tax documentation, workers social welfare/ evidence of social security.
4. It has given a boost to FSC certification. Although there is no price bonus, at least companies have secured their market.
5. Some companies look at costs, and consider it complicated and costly to comply with EUTR/DDS requirements. Especially the larger companies are already FSC CoC certified; they seem not to be negatively affected by the EUTR. Some people were asking for FLEGT licensed timber. Although EUTR does not recognize FSC or PEFC as “green lane”, in absence of FLEGT licenses FSC and/or PEFC certified timber is the best option to show compliance with DD requirements.
6. Some companies are not impressed by the EUTR implementation problems and wonder why they should make their live more difficult than their neighbors in e.g. Sierra Leone (that do not go for a VPA and can still export to the EU without major problems). Although this assumption is not correct (the EUTR is equally applied for VPA and non-VPA countries) this mistaken feeling results in the mentality “as long as the market is not closed we can ship”.
7. The decrease in export volume to the EU is not considered to be EUTR related, but rather due to the lack of primary species (category 1 species), requested by the EU market. With the dwindling resource base there is a change from selective logging towards logging of all other species; the latter are sold to other markets (domestic, regional, China). Monitoring and inspection has become very severe for the export market, with the effect that illegal logging has basically stopped in the formal sector and that mixing of legal timber with illegal timber has become impossible, according to the FC. It would be easy for the companies to comply with the EUTR requirements. The EU market is not so responsive to Lesser Used Species (LUS). The reduced volume to the EU market is rather an issue of availability than a legality issue.
8. There is a felt need among stakeholders in the private sector and civil society for strong implementation of the EUTR in support of effectiveness of the VPA. The private sector has additional interest in the EU market, due to the competitive advantage. If the EUTR is not well implemented they might lose their interest and ship somewhere else. EUTR should also take into account third countries.
9. In Ghana certification started in the 90ies (CoC/ controlled wood since the companies do not manage the natural forest; this is done by the FC). In the 2005, GoG were clear that they saw the FLEGT process as a stepping stone towards sustainability. They reflected on how difficult companies were finding it to achieve certification and saw legality as the essential foundation of any certification scheme. When the VPA process came, it was expected by civil society that it would replace forest certification, but it was to complement. When later the EUTR came, companies were complaining that it all adds to costs of operation.
10. One PS actor expressed his view as follows: “We cannot change the EUTR. We will comply with EUTR”.

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Annex 5 Overview of main achievements and challenges

- **CS: Major achievements:** 1. Opening up of space to engage; 2. FLEGT has not yet managed to change practice so much; it has not stopped the bad habits, but made it more difficult for people to start about it. As a result of FLEGT the amount of salvage permits went way up, which shows the lack of commitment of FC/GoG to bring itself under strict regulation. Generally politicians are very careful to decide who they deny access to resources. Due to “1.”, at least people can now raise their voice. 3. Currently there is quite some useful capacity in CS to engage with FC, due to improved capacity building and education; *Major challenges* 1. The TLAS is technically OK and there is no doubt that it may function. A concern is rather the political will to make it work (e.g. conversion of leases). The confidence level is limited due to dependencies, relations and corruption. Many have interests from high to low levels. E.g. for chainsaw millers the chance of getting a positive output is higher than the risk of being caught. 2. No legal reform yet (e.g. on tree tender), identified and still on the table, but the final result is not there yet. The process is good though and provide a basis with the possibility that the achievement will still be reached.
- **GoG: Major achievements:** 1. Inclusive MSHP, never done before, all were included, leading to ownership. 2. Improved governance based on better procedures, electronic systems, checks and balances, technical improvements, improved and more detailed capacity building and better clarity on mandate and role (change: “people are now mindful on the procedures”); 3. Improved data management and storage (much faster and providing data for analysis); 4. The new WTS does not allow to put illegal logs in the system, which helps to protect the forest. Illegal logging by logging companies has reduced very much; 5. Possible market effects: increased legality, transparency and improved monitoring may lead to better relations with the clients, higher demand and better price. *Major challenges:* 1. Delay in the issuance of FLEGT licenses; although understandable that technical solutions and capacity building take their time, the delay has partly resulted in loss of enthusiasm of stakeholders and frustration for FC staff; 2. Illegal chainsaw lumber remains a problem; 3. Internet infrastructure is causing frustrations when it does not work properly.
- **CS: Major achievements:** 1. Capacity building of CS on forest governance and policy; 2. The coordinated voice of CS, providing strength to CS; 3. Seat on the TVC (controlling the TVD); 4. Improved recognition of the roles of FC and industry; 5. Increase in the implementation of SRAs; communities can now show what they have signed for and what they have received; 6. Increased stakeholder participation in a general sense (used to be FC and PS only); 7. Improved coordination between NGOs, e.g. through regular meetings to “share and replicate”, enabling more efficient CS work; 8. Monitoring by CS (in addition to independent monitoring by SCS): a) at least 10 CS representatives are now well prepared to undertake legality verification; b) CS can participate as “observer” in the internal audit teams of TVD; c) CS Independent Forest Monitoring programme, targeting training of 50 community representatives per region to verify compliance with SRAs and compensation of off-reserve logging damage caused. *Major challenges:* 1. Legal reform has yet to happen; 2. Engagement with CS in implementation phase less than during negotiation, due to less meetings and a change in approach by FC (suggesting that issues of more technical level do not require extensive consultation. However not all issues are that technical (SRAs, compensation) and the need is felt that CS is also more actively consulted in this phase.
- **GoG: Major achievements:** 1. Improved forest governance due to improved procedures, electronic system and increased monitoring capacity (“we have been sharpening the tools”); increased knowledge on legality under loggers; 3. Renewed cooperation between communities and loggers (less disputes); 4. Enhanced revenue generation (loggers have massively paid current and outstanding bills in fear of not complying with legality requirements). *Major challenges:* 1. VPA has some cost implications for the PS; e.g. logging companies need to employ a professional forester now; 2. “Compliance with laws is an ideal situation, but not very common in Ghana”; 3. For effective implementation of the VPA the FC shall be adequately resourced with equipment and funding by the GoG. In practice GoG seems to have other priorities and in recent years very little funding was received from GoG (2013, 2014).
- **PS: Major achievements:** 1. VPA paved the way for FSC certification (CW + CoC, now working on FM); 2. Community training and education (required for VPA).

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- **CS: Major achievements** 1. The space for NGOs to sit on the table and have influence; 2. Effect that other donors came on board (e.g. ITTO) to support FLEGT related activities; 3. Communities have been empowered on SRAs and are demanding their rights now; 4. FLEGT started some processes in Government like the PPP; 5. Inclusion of the domestic market in the VPA, which started the regulation of the internal market. *Major challenges:* 1. Change of focus from SFM towards the legal compliance level. When the EUTR came, the interest to go for FSC-FM level decreased; 2. There were high expectations at the start of the process, but due to the slow process there are no FLEGT licences yet.
- **CS: “all basic things have been done: alternatives have been given and policies have been developed. Now the GoG shall take decisions”.** *Major achievements:* 1. Review of the forest laws, catalysing the development of the new Forest and Wildlife Policy (2012); 2. Change from a top-down system to a more transparent system with participation of a platform of forestry stakeholders; 3. Increase in the level of organization, training and coordination of CS; 4. CS now speaks with one voice, which makes them stronger, avoid duplication and rather complement; 5. Legal Working Group has shown its influence (e.g. in the case of a new LI proposal on salvage permits, which was cancelled by the FC Board after the LWG send a strong letter denouncing the proposal as unconstitutional); 6. Specific spaces for representation of CS (e.g. DOLTA represents CS in the TVD and in the WTS working group); 7. Restructuring of the destructive influence of the timber traders (Sokoban market); the informal sector is now networking on VPA; 8. Broader consultation of local communities and capacity building of FFCs on SRAs and compensation, which is leading to improved awareness and claims (reference was made to a case in Jua Seso Bia in which a logging company had taken two trees from a farm without the consent of the farmer; such consent is necessary according to the legality definition agreed under the VPA. The company had to pay 10x the value of the logs). *Major challenges:* 1. The need for GoG to take decisions; 2. The delay in issuing of FLEGT licenses; 3. Some exporting companies are complaining about the EUTR, as it is increasing their costs; 4. Some GTA companies did not pay their workers for 6 month as the make little profit.
- **CS: Major achievements:** 1. Policy space achieved is unparalleled in the history of the country in terms of democratic process, causing a lot more of inclusiveness; 2. Opening up of opportunities to harmonize the laws, even as the process has been slow; 3. FLEGT has put the spotlight on the forest sector; people now know about the problems with tenders, which leads to increased transparency. *Challenges:* 1. Frustration on how long it takes due to political changes and before you know there is a new election.....(foreseen for December 2016); 2. The legal reform process is only starting (several position papers have been prepared with support of Client Earth and presented to GoG, but the actual process to reform to one consolidated new Forest Act has yet to start).
- **PS: Major achievements:**1. There are no disadvantages of the VPA for genuine businesses; it will enable them to stay longer in business. *Major challenges:* 1. illegal loggers are a problem (– causing a need to protect concession against theft at additional cost); 2. due to illegal logging the market prices are lower.

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Annex 6 Table for analysis of achievements

Forests, markets and livelihoods				GovernanceOther					
Forest conditions	Economic development	Domestic market development	Livelihood and poverty	Effectiveness of stakeholders involvement	Accountability & transparency	Illegal logging	Institutional effectiveness & efficiency	Law enforcement & compliance	Tenure and access
			Chain saw millers	Negotiation		lack of consistent data			
				Implementation					

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1. *Situation of the country with regard to FLEGT*

Guyana is primarily a resource-based economy. Guyana's land area is comprised of 71% forest and 17% of 'other wooded land'. 84% of the forested area in Guyana is under state ownership and management through the State Forest Estate (67%) under the jurisdiction of the Guyana Forestry Commission (GFC) and State Lands (17%). The majority of the remaining forested area is held through communal rights as Amerindian community ownership (14%) according to the Ministry of Indigenous Peoples Affairs.

Seventy (70) percent of Guyana's timber exports are logs, mostly to China and India. The EU imports from Guyana concern primarily sawn wood, but Guyana's exports to the EU represent only 5-10% of its total timber exports. Guyana's trade in timber products with EU mostly concerns greenheart species (rough sawn, dressed, piles and floorings).

The Guyana-Suriname Basin is also Latin America's third largest undiscovered oil and gas deposit¹³⁹. Multinational oil companies are (Nov. 2014) undertaking exploratory work in Guyanese waters and are increasingly positive about the potential for drilling. With further hydrocarbon exploration, the resumption of manganese mining, increased production of bauxite and gold and the opening to new exploration, the extractive sector is expected to continue growing rapidly. Record-high gold production in 2013 has also made Guyana one of the fastest-growing economies in the Caribbean region in recent years. Mining has become the main driver of new job creation and foreign exchange in the country, and extractive commodities in general comprise the bulk of Guyanese exports. It is noteworthy that forestry is not mentioned as one of Guyana's extractive industries on the EITI website.

FLEGT history

In 2012, Guyana started Voluntary Partnership Agreement (VPA) negotiations with the EU. Guyana's decision to enter into a VPA is based on its commitment to low carbon development, to maintaining a low rate of deforestation and forest degradation, and to legality and sustainable forest management as serving the needs of the people of Guyana¹⁴⁰. Guyana has a forest management framework and related monitoring systems (including in third-party monitoring). Guyana has, from the onset, emphasised the need for the VPA to build on existing systems in place, to be locally appropriate and to serve the needs of the people of Guyana. During the first VPA negotiation session, Guyana expressed its vision for the VPA as: *"To further develop and strengthen Guyana's existing framework for forest legality and sustainable forest management in a manner consistent with national priorities, and which enhances Guyana's forest products' market opportunities"*. An additional reason mentioned by the GFC is that the VPA is seen as a unique opportunity for Guyana to gain and maintain access to the relatively lucrative EU market. Another reason that was mentioned several times by various stakeholders is that entering a VPA process was also one of the ways to gain access to Norway REDD+ support.

A multistakeholder workshop led to the formation of the National Technical Working Group (NTWG), leading the process of negotiations from the Guyana side, and its Sub-Committees. The NTWG is comprised of 13 members representing various stakeholder groups- and gathers regularly; sub-committees include LAS, Stakeholder engagement and Coordination, among other topics. A FLEGT Secretariat was formed and housed at the GFC.

First Negotiations were held in December 2012 in Guyana; a second in Brussels (July 2013) and six Video Conference Meetings were held to discuss technical issues. The 1st Negotiation was pivotal in agreeing

¹³⁹ <https://eiti.org/guyana>

¹⁴⁰ AIDE MEMOIRE, First Guyana - European Commission Negotiation Session on a FLEGT VPA (Dec 2012, Guyana), available from <http://www.forestry.gov.gy/negotiations/>

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on the Joint Roadmap document – issued in January 2013 - which guides the activities under the VPA. The roadmap schedules Guyana to move toward implementation by the end of 2015. As part of the VPA, a Communication and Consultation Strategy and a Scoping of Impact Study were also agreed upon.

After the discussions with the EU in 2013, it was requested that Guyana establish a more consistent consultation mechanism with all stakeholders. Following this request, the negotiations were stalled until a facilitator (coming from Ghana) was appointed in July 2014 to support the process. This gave a boost to the negotiation process to re-start, followed by the political changes that happened after the General Elections in May 2015.

Since 2012, the UK-funded FGMC has also been engaged in Guyana, funding and supporting, among others (1) facilitation of the Forest Law Enforcement, Governance and Trade (FLEGT)/VPA process (through the consultancy firm IDL Group), (2) technical assistance to civil society and small loggers' associations (through the UN FAO and the Forest Peoples Programme (FPP)), and (3) the development of the Legality Assurance System, through the GFC with support from FAO, IDL Group and FPP/Amerindian Peoples Association (APA). It also supports the FPP/APA in engaging with land tenure reforms.

Main stakeholders identified

In the context of the FGMC review, mapping of main stakeholders in FLEGT and REDD action was undertaken. Main stakeholders identified were (1) the ***Guyana Forestry Commission*** (henceforth GFC) which is responsible for the administration and management of all State Forest Land in Guyana, and for overseeing all forestry concessions from initial granting to monitoring and enforcement. The GFC has been at the forefront of Guyana's efforts under the REDD+ and FLEGT initiatives.

Other stakeholders include (2) ***the FAO Regional Office***, which has provided assistance to the Forestry Sector and the GoG through a number of initiatives under the African Caribbean Pacific/EU FLEGT (ACP EU-FLEGT) Support Programme, funded by the EU and implemented and managed through FAO. Guyana has so far benefitted from over GY\$ 40 million (approx. €173,000) in funding, to support capacity building within the Guyanese forestry sector, in order to meet the FLEGT Due Diligence requirements, and to foster greater stakeholder participation in two key areas of policy and operation within the forest sector: EU FLEGT and Voluntary Partnership Agreement (VPA), and the National Log Export Policy. Under FGMC, FAO is also building the forest governance capacity of three small logger associations in the Upper Berbice River Area, so as to test the Legality Assurance System, and under the EU FAO FLEGT programme, support is provided to six Small Loggers Associations; the Forest Training Centre Incorporated (FTCI) would lead a pilot test on log-tracking with small producers; the mapping of nine forest concessions; the development of harvesting and monitoring plans and technical support and capacity building is provided.

(3) ***the IDL Group*** – funded by DFID – manages a 'FLEGT Facilitation Support Office' to provide facilitation support to the negotiation of FLEGT VPA in Guyana, so as to help ensure dynamic, inclusive, and well-informed VPA negotiation and implementation processes that build local ownership in Guyana and foster international credibility for the VPA.

(4) The ***Forest Peoples Programme*** (FPP) supports indigenous forest peoples' struggles to defend their lands and livelihoods and aims to bridge the gap between policy makers and forest peoples, through advocacy, practical projects and capacity building. In Guyana, FPP's main partner is the Amerindian People's Association (APA).

(5) The ***European Forest Institute*** (EFI), through the EU FLEGT Facility, supports the implementation of the VPA roadmap through technical assistance, communication and funding. EFI is particularly focused

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on improving stakeholder consultation and participation, among other means through supporting the development of a communication strategy.

(6) **Final beneficiaries** of FLEGT and REDD+ in Guyana are forest-dependent people, which include both loggers, organized in small loggers associations and loggers employed by larger logging companies. Other beneficiaries include millers and Amerindian communities involved in logging activities.

(7) The **private sector companies** active in the forest and timber trade sector. While this group was not explicitly identified in the FGMC, they are obviously a key stakeholder for FLEGT.

Special Issues to look into

Several issues to look into in more detail, considering Guyana's specific FLEGT process, have been identified, namely the relation between FLEGT and REDD and, related to this, the multi-stakeholder consultation process. Other points of attention are the effect of FLEGT/VPA on chainsaw loggers and small operators and the role of local communities and Indigenous Peoples in the FLEGT VPA processes.

2. Key Findings

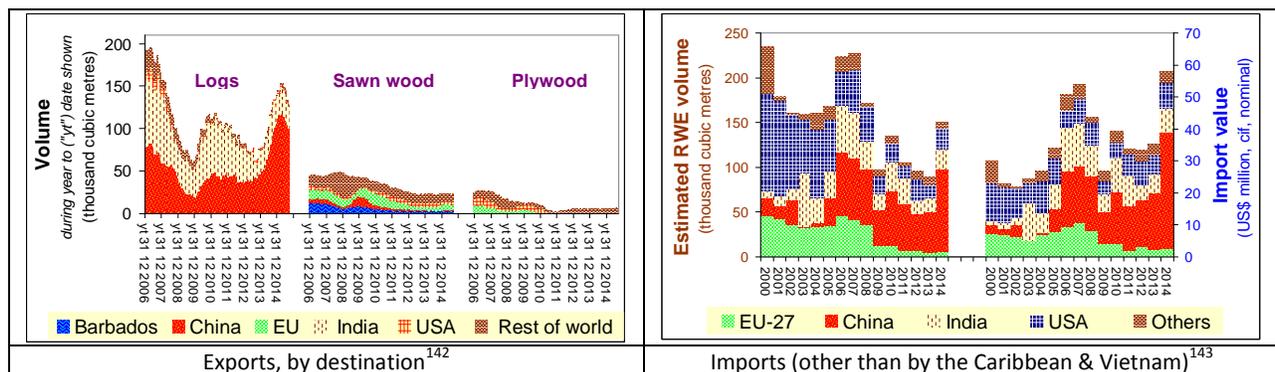
On EQ1 (relevance):

- First of all, it must be noted that illegal logging was not necessarily the main reason for opting to engage in VPA negotiations. Nevertheless, currently, a number of systems are being improved to reduce the low levels of illegal logging in Guyana¹⁴¹. Greater efforts are also being made by not only the GFC but also other agencies working in partnership with the GFC, to ensure that forest concessions are being managed sustainably.
- It is important to realise that in Guyana, EU FLEGT is seen as one of several '*REDD+ enabling activities*', with particular benefits in the form of Independent Forest Monitoring (IFM) and verification of legality and of good forest governance. Guyana has been at the forefront of REDD development since Guyana (in 2006) proposed to the UK to establish a bilateral partnership to protect the Guyanese rainforest in exchange for economic incentives. The UK did not take up the offer, but since November 2009, Guyana and Norway have been engaged in a Reducing Emissions from Deforestation and Forest Degradation (REDD) agreement. The REDD Agreement is based on Guyana's Low Carbon Development Strategy (LCDS), launched in 2009, which aims to transform Guyana's economy while combating climate change by avoiding Deforestation & Forest Degradation and promoting Low Carbon Development initiatives.
- Engaging with FLEGT/VPA is one of the enabling conditions for Norway to release funds as part of its MoU signed with Guyana; The commitment of Guyana to sign up to a VPA is enshrined in the latest version of the Joint Concept Note (JCN) regarding the MOU with Norway. The REDD+ and LCDS approaches integrate FLEGT as only one – if essential - component (namely forest governance) of broader REDD+ Governance objectives. From a REDD+ perspective, programmes such as Independent Forest Monitoring as well as Verification of Legal Origin (VLO) and Verification of Legal Compliance (VLC) audits are good preparatory steps for VPAs contributing to good forest governance.

¹⁴¹ This global statement is not intended to hide the public reports on illegal cases published in the national media, such as exports associated with companies engaged in unsustainable practices such as high-grading of high value species notably wamara.

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- While in several VPA countries deforestation is a major challenge, deforestation in Guyana remains low, in part for reason of the very low population density (there are only 800,000 people in Guyana, 80-90% of whom live in the coastal area) and because the soil is not sufficiently suitable for commercial agriculture and is generally being managed sustainably by indigenous peoples. According to an independent verification report by DNV GL, Guyana’s rate of deforestation declined by 14% from the 2012 levels. Guyana’s annual deforestation rate in 2013 was at 0.068%, which was one of the lowest in the world, and less than 15% of the average for all tropical countries.
- However, it seems to be increasing, mostly due to mining as the driver responsible for over 90% of deforestation in Guyana. The FGMC baseline study suggests that FLEGT action is relevant for achieving overall FLEGT objectives in Guyana, but that the (higher) FLEGT objective of reducing deforestation and forest degradation is only marginally addressed through FLEGT, due to the minor role of illegal logging compared to mining (FGMC Baseline study).
- In the context of the same FGMC Baseline study (2015), a so-called Force Field Analysis was undertaken, to illustrate the diverging views on the VPA of different stakeholder groups. It brought to light that views differ on the extent to which governance aspects are to be included in FLEGT/VPA action. Some stakeholders see the VPA primarily as a trade agreement, while others underline the governance elements of the VPA. In the case of Guyana, it was concluded that most stakeholders in Guyana are closer to the view that the VPA is primarily a trade agreement, rather than a governance agreement. This might suggest that it is not very likely that the VPA would lead to wide-reaching governance reforms, in the environment that prevailed until 2015. (The time scope of the evaluation is up and until end of 2014).
- Since the General Elections of May 2015, however, there appears to have been a shift in attitude towards the VPA. While the VPA is still perceived as a trade agreement, primarily (and in fact it is), attention for governance aspects has gained a lot of ground. For instance, the consultation process has reportedly greatly improved over the period May-October 2015) and the legality definition has seen the inclusion of numerous social indicators.
- The supply of logs, sawn wood and plywood from Guyana, according to available data are as follows:



¹⁴² Source: based on Forest Products Market Development Council (monthly reports)

¹⁴³ Source: based on China Customs, Eurostat, USITC Trade DataWeb, UN Comtrade and others. Roundwood equivalent volume has been estimated here by multiplying by (in m³/m³) 1.8 (sawn wood) and 2.3 (plywood)

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- The charts above indicate that, during the second half of the last decade, the supply of timber (particularly plywood) from Guyana to the EU (primarily the UK) and the USA declined steeply, and that this was partially offset by the supply of logs to China. The closure of the country's plywood mill contributed to that decline. However, the change in direction of trade is consistent with reports in the media concerning governance, particularly in relation to the supply of logs to China and, to a lesser extent, India. The change of government in 2015 might be a first step to addressing these concerns. However, exports to China are already declining, presumably due to market conditions in China rather than due to governance in Guyana.
- These concerns would be largely unaffected by the VPA if its scope is confined to exports to the EU, as has long been the view. It would also remain to be seen whether Norway would accept a limited scope as sufficient to release its REDD+ funds, when/if the supply of FLEGT-licensed products commences. However, the current position is that the TLAS would be national in scope and cover all exports¹⁴⁴. Currently, the EU accounts for only about 5% of the roundwood equivalent volume which is exported from Guyana (and roughly US\$300,000 per month in export value). Sawn wood, destined primarily for the Netherlands and the UK (and probably involving a very small number of Operators), accounts for the great majority of that which is currently exported to the EU.
- Under threat of losing its remarkably long-term investment subsidies, the plywood mill has re-opened. However, the mill's output is small – the volumes being exported have averaged less than 400m³ per month since re-opening (roughly 10% of that during the first half of last decade).

On EQ2 (design)

- There is a feeling, among private sector actors, that the FLEGT Action Plan could have been designed better if the EU had realised that developing countries such as Guyana, need not only pay attention to being able to access the market by meeting legality requirements, but also to producing a product that meets the required quality standard. Otherwise, a situation would be created in which the Action Plan ensures legally sourced timber but stakeholders are still left with very small market shares. In addition, stakeholders indicated that the Action Plan makes the VPA (action areas 1 and 2) the main focus in Guyana while there is a lot more to be done in the other action areas as well.

On EQ3 (effectiveness)

AA1 (support to producer countries) and AA2 (trade in timber)

- According to the GFC (November 2014), main achievements to date under the VPA process include:
 1. A detailed roadmap, developed in January 2013, with assistance from the (EU-funded) FAO ACP-FLEGT Programme;
 2. A Legality Definition (3rd draft) based on inputs from stakeholders at various workshops. The NTWG developed the draft definition and the scope currently focuses on timber products that are exported to the EU and traceability of such products through the Chain of Custody (CoC).

¹⁴⁴ Guyana's position on the scope of the VPA has shifted as well. While only exports to the EU would get a FLEGT license, the TLAS would be national in scope and cover all exports.

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Next steps include field testing of the legality definition in addition to stakeholder consultations in order to finalize the legality definition. According to some observers, the participation of forest communities in this process is still limited and contentious issues are not addressed; reportedly, however, participation and consultation, while not perfect, have greatly improved in the second half of 2015 - though this period is outside the scope of the evaluation.

3. A Product Scope (draft) – defining the products that would be covered under the VPA; currently this would include six (6) products- logs, lumber, parquet, veneer, plywood and sleepers, based on the assumption that these products can be traced with accuracy and sufficient confidence from the forest to the point of export; other products may be added later. The fact that the list of products for exports to the EU is quite small has much simplified the elaboration of the product scope and facilitated stakeholder support ;
 4. A review of the Regulatory Framework (draft) – the adequacy of laws and guidelines within which the VPA operates are reviewed, in order to assess the eventual need for reform;
 5. A Communication and Consultation Strategy (being finalised); this strategy would be a ‘live’ document as new methods and ideas may be developed or new stakeholders may emerge. The objectives of such strategy are to ensure a culturally and socially appropriate communication process aimed at a genuine participation of all actors, including reaching out to Amerindian communities. EFI would be involved in the review of this strategy with a view to improving communication with stakeholders and engagement with the public;
 6. A Scoping of Impacts Study to answer the questions what the current system does, what difficulties are encountered in compliance and what the VPA would bring.
 7. A review and documentation of the existing Wood Tracking System with related Chain of Custody measures.
 8. Operation of a Website – www.forestry.gov.gy
- As of November 2014, the following areas would be specifically targeted following DFIDs support (in particular a FLEGT Facilitator): (1) Other aspects of the LAS - verification system/protocols, licensing system; (2) Finalization and testing of the Legality Definition; (3) Market preparedness- are we ready for the EU market; (4) Consultations - on the Legality Definition and LAS components and (5) a Technical visit by EFI and the 3rd VPA Negotiation Session.
 - The Assessment Report on Scoping of Impacts of the EU FLEGT VPA in Guyana of January 2014 identifies the actions for large and small concessions and for Amerindian reservations and private land owners needed to close gaps with the draft definition of legality. They include issues around (1) legal logging rights, (2) other parties’ tenure and use rights, (3) forest management and transportation, (4) payment of penalties and (5) labour laws.

On the Multi-stakeholder process

- In Guyana, the FLEGT action is seen as instrumental to the wider REDD agenda, which is part of Guyana’s Low Carbon Development Strategy (LCDS), with Norway as a main donor. This requires the activities to be properly coordinated with those happening in the context of REDD+, in particular the Multi-Stakeholder Steering Committee consultations conducted in the context of the LCDS.
- The FLEGT multi-stakeholder process is given shape in the form of a National Technical Working Group (NTWG), which was developed to oversee the EU FLEGT VPA negotiations in Guyana. The GFC is the chair of the NTWG, which includes government agencies, private sector, and

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Amerindian representatives. According to some observers, the representative participation of civil society actors in the NTWG could be improved. The NTWG has various thematic sub-committees, which meet to work on different elements of the VPA. The GFC has conducted several rounds of stakeholder consultation, on the legality definition and related topics, the first of which were financed by the EU-FAO FLEGT programme. Subsequently, Tropenbos programme funds have allowed for a next round of consultations.

- With regard to the FLEGT dialogue, a multi-stakeholder dialogue preceding the NTWG process was led by Tropenbos International, through two EU-supported projects namely the *Developing alternatives for illegal chainsaw lumbering through multi-stakeholder dialogue in Ghana and Guyana*, implemented between 2007 and 2013 and the ‘*Support the integration of legal and legitimate domestic timber markets into Voluntary Partnership Agreements (VPAs)*’ project implemented between 2011 and 2015 – both funded under the ENRTP.
- The first project explicitly focused on developing the multi-stakeholder dialogue around issues regarding chainsaw lumbering in Guyana (and Ghana) and identifying solutions. As such, it laid a basis for multi-stakeholder dialogue (MSD) on FLEGT-related questions. The second project set out to reduce or avoid the potential negative impacts that VPA implementation could have on livelihoods of small scale producers – in particular if VPA related measures are more feasible for larger-scale forest enterprises than for small scale producers, by taking concerns and interests of producers operating on the domestic timber market into account. However, in the context of the VPA-related stakeholder consultation, starting in 2012/13, GoG considered that there was a risk that the two processes would run in parallel and there was no longer a role for the national-level MSD on chainsaw milling. This resulted in the national Task Force for MSD being dissolved in October 2014.
- An independent evaluation recommended that lessons learned in the TBI projects be properly documented to feed into the FLEGT consultation process, and argued that regional-level multi-stakeholder fora could still play a role in helping to address the many contentious issues related to the actual logging practices and marketing at local levels. One of the lessons documented in the evaluation of the TBI projects is that key stakeholders, such as the Forest Commission, need to be fully involved in the process right from the start and that ***the status of outcomes of stakeholder dialogue processes needs to be clearly defined from the outset***. In the case of Guyana it had remained insufficiently clear whether the MSD report would just document opinions and concerns of different stakeholder groups – one of which is the GFC - or rather aim for consensus and/or a resolution on the way forward in tackling the challenges in the domestic market. Clearly, different groups had different expectations from the process.
- Another lesson learned from the Multi-Stakeholder Dialogue is that for effective participation processes, there is a need for genuine democratic representation. According to the evaluation report, some former Small Loggers Association executive members had reportedly alienated themselves from their own constituencies in the process of participating in the MSD process, and some resource persons questioned whether the MSD reflected the views of their constituencies properly.
- The FGMC baseline study suggests that slow communication and dissemination of documents undermine transparency and that external support would still be required, particularly in the form of facilitation. Some lead staff at the GFC are reported to have excellent technical capacity inherited from a DFID forestry programme in the 1990s, but capacity is weaker among local civil society groups. It notes that the multi-stakeholder process was revitalised since a FLEGT facilitator took charge in August 2014.

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- The appointment of a facilitator coming from another VPA country (Ghana) has helped relaunch a stalled negotiation process, in which stakeholders (within Guyana and between Guyana and the EU) had lost confidence in each other. In this context, a workshop to share experiences (with Suriname and Honduras) has been conducted and comprehensive stakeholder consultation has been undertaken - with a strong female presence and engagement as well as participation of small logger associations. There is reportedly a sense, now, that the approach has improved, with more openness and dialogue.
- With regard to the National Technical Working Group, the FGMC baseline study also observed that not all relevant stakeholder groups are represented, and that the operating style remains rather authoritarian although changes were observed.

On the Legality Definition

- A Guyana Legality Assurance System (GLAS) document was used by Guyana at the beginning of the VPA process, as a working document. A review of the GLAS, carried out by an independent consultant in May 2011 expressed doubt that the draft GLAS would meet the requirements of EU-FLEGT since a number of essential features of a legality definition would be missing, especially in relation to the allocation of logging concessions. Since then considerable progress was made, and the current version of the legality definition bears no resemblance with the original GLAS.
- Independent Assessment of Enabling activities of the Guyana-Norway REDD+ Partnership (2013)¹⁴⁵ assessed that, in general, the definition of legality meets the broad requirements. At the same time, it highlights that ‘areas where the legality definition could be strengthened’ are:
 1. The definition follows closely the list of products as specified in the EU-FLEGT Action Plan (2003) as given in Annex 3 of Guyana’s Legality Definition (version 1)_050313_GFC (MS Word version). Whilst this might reflect the bulk of the timber products exported from Guyana, it is also quite restrictive and in the future may not reflect the reality of exports especially if there is a move to exports of value added products e.g. furniture.
 2. The scope only covers the timber products to be exported to the EU¹⁴⁶. It should be noted that other countries are also interested in adopting similar standards. The USA (through the Lacey Act) and Australia by the Illegal Logging Prohibition Bill (2011) are cases in point. Guyana might go further, as in the case of Indonesia, and ensure that all timber and forest products conform to the legality standard regardless of the export destination.
 3. Further incorporation of FLEGT Action Plan elements in to the Norway-Guyana REDD+ agreement and future JCNs. The major parts of a Legality Assurance System are:
 - a) Legality Definition
 - b) Control of the supply chain
 - c) Verifying compliance
 - d) Issuance of FLEGT licenses
 - e) Independent Audit

¹⁴⁵ Independent Assessment of Enabling activities of the Guyana-Norway REDD+ Partnership, Final Report, Norwegian Ministry of the Environment, Helsinki, Finland (November 2013) - confidential

¹⁴⁶ It must be noted that Guyana’s position on the scope of the VPA has shifted since 2013. While only exports to the EU will get a FLEGT license, the TLAS will be national in scope and will cover all exports, not just exports to the EU.

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The assessment suggests that *'Whilst all of these (elements of a LAS) are important, more consideration should be given to items c) and e). Verifying compliance that timber for export meets the legality definition and that the supply chain is controlled are incredibly important as is independent audit [...].'*

On policy review

- There are different views on the need for policy reforms in order to establish a fair, transparent and equitable framework for legal and sustainable timber market. In the eyes of the GFC, there is no such need as Guyana has, in the recent past, gone through a policy review and update which now 'simply' needs to be implemented. There would be a need for further sensitisation on these policies and development of models for practical implementation rather than new policy development. However, some stakeholder groups consider that there is a need for further policy review.

On Legality Assurance System and impact assessment

- There is general agreement that the DFID-funded log tracking system is a solid basis for a legality assurance system. In 2000, the GFC introduced a Log Tracking System to verify the origin of raw material and control the level of harvesting within State Forests. Guyana is one of the few countries in the world with a complete national log tracking system, which provides evidence on the legality, location and magnitude of forest operations. It is applied to all forestry operations including State Forests, Amerindian Reservations and Private Properties. The log tracking system uses Log Tags which are assigned to all concessionaires each year free of charge, and allows that forest produce originating from Guyana and used in any part of the world can be traced back to the stump of the tree the wood was taken from.
- The fact that Guyana has a quite robust system for tracking timber has allowed things to work well in some regards. It meant that Guyana did not need to start from zero and this allowed for a number of stakeholder groups to get involved very quickly, since they were familiar with a lot of the work that the NTWG was trying to do under the VPA.

AA4 (Private initiatives)

- The private sector (PS) is generally speaking supportive of the VPA process in as far as it obliges the government to respect its own laws. However, if there is no VPA, the PS will comply with the Due Diligence implemented by importers. Still, there is fear that the EUTR will not be well implemented.
- The PS feels that there is a potential to increase the volumes exported to the EU – which is in line with the Marketing Strategy for the Guyana wood products industry sector. As part of this strategy, targeted action has been undertaken including the immediate priority given to assisting the existing exporters to meet the requirements for certified legal timber in the key consuming markets of Europe and North America.

AA6 (Use of existing legislative instruments)

- There is no indication that the FLEGT/VPA process in Guyana has undertaken any action in support of *'use of existing legislative instruments'* to support the fight against illegal logging. However, as part of the REDD+ initiative, Guyana has been encouraged to engage in a process to apply to the Extractive Industries Transparency Initiative (EITI). Progress in this area was included as one of the Indicators (no.1) for continued payments under the Guyana Norway Agreement. It was agreed that (a) by November 2014, the inception report from the EITI Scoping

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Study would be published and (b) Guyana would be listed as an “interested country” on the EITI Website. In May 2015, it was concluded that this indicator had been met; however, instead of the inception report, Guyana had submitted the draft EITI scoping study, which was considered to be well developed and giving an overview of the extractive industries in Guyana, a cost and benefit analysis, a roadmap for the adaptation of EITI and an EITI implementation work plan.

On EQ4 (implementation management and coordination):

- Communication is an important element in management of FLEGT/REDD in Guyana. Under the REDD+ initiative, one of the criteria for disbursement is *Improved REDD+ and LCDS related Communications in Hinterland Communities*. As part of the report on this indicator, besides general LCDS awareness sessions conducted by the representatives of central government institutions, mention is made of the presentations made by the GFC on the negotiations with the EU on the VPA under the *Forest Law Enforcement Governance and Trade (FLEGT)* programme. The GFC reported having conducted 12 workshops in 2013 and seven in 2014 for indigenous peoples and local communities in the various regions, on LCDS, REDD+, Forest Carbon Partnership Facility (FCPF), FLEGT and Guyana’s Monitoring, Reporting and Verification System (MRVS). In addition, in 2014 10 workshops were held focusing primarily on REDD+ and MRVS. This suggests that awareness raising on FLEGT and REDD initiatives can effectively be integrated, especially in situations where means to reach remote communities affected by FLEGT or REDD are limited; the remoteness and difficulty of access of forested zones requires particular efforts, both logistically and financially. It helps avoid confusion, at community level, about the complex concepts such as FLEGT and REDD, and clarify their respective benefits and costs.
- The assessment also notes that *‘the extensive activities conducted by the GFC or by the MSSC facilitators are not included’* [in the overview of outreach activities], but it is assumed that the outreach has effectively taken place. It is recommended, though, that a baseline for communities’ knowledge and awareness of the LCDS be established so progress can be ascertained. It is also recommended that the GFC approach – i.e. the use of independent facilitators in consultations and outreach work, and spending longer periods in the hinterland allowing for deeper engagements with the communities – be integrated in Guyana’s overall approach to consultation and outreach sessions in the context of the LCDS (and REDD+ agreement).
- From this experience, it is concluded that *it is desirable that REDD and FLEGT are jointly communicated to stakeholders, in particular final beneficiaries*. As NORAD’s evaluation of its International Climate and Forest Initiative¹⁴⁷ points out, clear communication can help to, inter alia, *‘address the confusion over the Official Development Assistance (ODA) status of the funding, or the perception that REDD+ is an alternative to mining or logging, rather than being an incentive mechanism for undertaking low-impact mining and sustainable forest management’*. There appears to be room for improvement on such communication.
- In the context of coordination, United States support for the forest sector should also be mentioned. The US has supported wood products development in Guyana, through USAID’s Guyana Trade and Investment Support (GTIS) project and through an agreement with the U.S.

¹⁴⁷ Real-Time Evaluation of Norway’s International Climate and Forest Initiative - Synthesising Report 2007-2013 Report 3/2014. NORAD Evaluation Department, 2014.

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Forest Service. In this context, it has conducted a review of Guyana’s Legality Assurance System (GLAS) through a UK firm. It supports capacity building of GFC staff in support of REDD and LCDS issues, including MRV, and facilitates support to the wood products operators for improved harvesting processing and distribution. The GTIS also helps prepare wood exporters to compete in U.S. markets by bringing experts to Guyana to help exporters and the Forestry Commission to address Lacey Act legislation. As such, it contributes to FLEGT action as well, though it is unclear how activities are coordinated.

On EQ5 (achievement of objectives):

Illegal logging

- Historically, deforestation in Guyana has reportedly been very low (0.02% to 0.08% per year, over the past 22 years), but this trend may change in the future as deforestation increases to meet growing demands for agriculture, timber, minerals, and human settlements¹⁴⁸. Guyana is therefore considered to be a high forest cover low emission/deforestation rate (HFLE/D) country, with forests covering approximately 85% of the country (forest area of 18.5 million hectares) and containing an estimated 19.5 billion tons (or Gt) of CO₂ in live and dead biomass pools.
- Besides being valuable natural assets, suitable for logging and agriculture, the forests also contain significant mineral deposits. Mining has been the primary driver of deforestation in Guyana, accounting for approximately 60% of all deforestation between 1990 and 2009 and more than 90% of deforestation between 2009 and 2012. Other drivers include forestry infrastructure, agriculture, and other infrastructure.
- The FGMC baseline study notes that illegality seems to be mainly related to the process of obtaining forest concessions; the wood tracking system seems to function relatively well.
- The TBI project evaluation however, notes that – while in Guyana chainsaw milling activities are legal, unlike in many other countries – chainsaw milling is still surrounded by a certain level of illegality of different kinds, most notably harvesting of logs from outside the allocated permit areas. Obviously, in the context of VPA implementation, such irregularities would need to be controlled. The TBI project has contributed to raising awareness of these illegal and unsustainable practices, and there is general appreciation for the TBI projects’ focus on building capacities, and in doing so, contributing to the VPA development process in Guyana. It was also concluded that the level of illegality surrounding the chainsaw milling practice had gone down considerably thanks to project interventions, which was mostly attributed to increased access to resources, in the form of State Forest Permits (SFP). Consequently, there would be less need for loggers to engage in illegal harvesting of logs from nearby concessions or forests.
- At the same time, there was little indication that chainsaw millers’ operations had become more sustainable than they used to be. Due to a series of circumstances, including the relative success of the Small Loggers Associations and the limited scope for alternative employment – in particular in the bauxite mines– the pressure on forests in communities visited and on the small SFP concessions allocated appeared to have much increased. Furthermore, a boom in trade of *wamara* (‘Guyanese rosewood’, a highly valuable species) mainly to Chinese market had led to a rush for this species - which is sold in unprocessed log form - possibly putting a brake on

¹⁴⁸ The Reference Level for Guyana’s REDD+ Program. Government of Guyana, December 2014.

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development of value-adding activities for other species. Some foreign companies involved in this market are allegedly also in breach of their agreements with Guyana because they continue to only export logs.

Improved governance

- The FGMC baseline study mentions that a considerable amount of information is available about forest governance in Guyana. It suggests that gaps exist mainly in transparency and data access, limited outreach and community capacity to interpret technical data, and that no significant pro-poor forest sector governance reforms are being undertaken. It suggests that more transparency and information sharing, law enforcement in relation to large-scale concessions, improved governance of small logger associations, and promotion of value addition and ensuring prior consultation of indigenous communities would need to emerge.
- Land tenure is considered only partially relevant to FLEGT objectives. Land titling of Amerindian communities is undertaken as part of the REDD+ process but would need to be improved¹⁴⁹. The timber legality definition does currently not address conflicting land uses or verification of legality of forest concessions. Yet, these parameters are important in the context of a VPA, in order to ensure that it encourages legal allocations and respects forest peoples' land rights.

On EQ6 (Other, emergent outcomes):

- In the context of the TBI project, and of the Multi-Stakeholder Dialogue in particular, project beneficiaries mentioned the reduced level of conflict, within the communities and between communities and forest services, as a major benefit. They argued having acquired an increased capacity to deal with problems applying the 'dialogue' approach, i.e. a non-confrontational way of dealing with conflict, not just in forestry matters but in other spheres as well. *As such, the multi-stakeholder dialogue approach had made an important contribution to good governance, in general.*
- It was also found that trainings on business development and organisational strengthening had resulted in acquisition of skills that were put to use in individually managed private enterprises, such as shops, or in agricultural projects, not necessarily within the forestry sector.

On EQ7 (contribution to higher objectives):

Poverty

- The TBI evaluation concluded that concrete support to small producers, in the form of technical training provided on themes such as chainsaw maintenance and repair, tree spotting, directional felling, use of the board mill, health and safety, have increased level of efficiency and started to produce tangible direct benefits for final beneficiaries.
- It also concluded that an increasing number of people are still dependent on timber production – and there is still a clear need for alternative livelihood development. In this regard it was recommended that, *synergies with other projects and development partners for development of alternative livelihoods should be explored* and consultation and coordination of community-level activities with relevant services of the Guyana Forest Commission be strengthened.

¹⁴⁹ <http://www.forestpeoples.org/sites/fpp/files/publication/2015/10/where-they-standweb-spreads.pdf>

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- The FGMC baseline study notes that the legalisation and formalisation of small logger associations has improved the poverty situation of small loggers. However, the lack of enforcing regulations on large scale operators and conflicting land use rights remain obstacles to poverty reduction of forest-dependent people. Some resource persons also commented that implementing a VPA will make things more complicated for SMEs – in terms of gathering the relevant documentation at their level. There is a need for capacity building activities to accompany VPA implementation.
- Another poverty-related issue mentioned is that Amerindian communities without official land titles have restricted access to forest resources. There is a concern in the Amerindian communities on land rights and security of access to land especially if customary land cannot be recognised before the VPA is signed. While there is a general understanding that land tenure issues cannot be solved by the VPA, there is still an expectation that the VPA would help put this issue on the agenda.
- Under the Guyana-Norway REDD agreement, one of the three main indicators (no. 2) concerns the *advancement on Guyana's policy of enabling Amerindian communities to "opt in" to REDD+ payments*. An assessment of this criterion (in May 2015) was positive, but it was recommended that the Government of Guyana continues to encourage and facilitate for Amerindian villages to efficiently contribute to the opt-in strategy, which has been the subject of stakeholder consultations for many years. It was recommended that the detailed (draft) strategy paper be translated into local languages and that assistance with the technical aspects [of REDD+] be considered. It was also noted that 'a very lengthy preparation process could mean the loss of opportunity'.

On EQ8 (efficiency):

- Private sector representatives in Guyana report that, since Guyana has been engaged in a FLEGT/VPA process, there has been an increased demand for Greenheart products and for other products. Buyers are increasingly engaged in carrying out Due Diligence work (documentation checks and Chain of Custody/ Log tracking activities). It is also observed that companies have increasingly gone after third party legality verification (VLO/VLC) and certification (FSC) as strategies to maintain market access. GFC, on its part, would have been requesting more stump inspection.
- Constraints mentioned are the low volumes of timber supplies and the involvement of many small exporters. This compromises the quality & reliability of legal verification and monitoring work. It was suggested that there be support for more down-stream processing (value-adding) and for exports (through port and deep harbour). Monitoring systems should be simplified and support be given for a consolidated log yard. The private sector would be in need of better market information and transformation and has an interest in support for group certification.
- It was also noted that the EUTR is not seen as a very satisfactory mechanism for ensuring legal timber is exported to the EU. The main flaw identified by GFC is the fact that the due diligence checks can vary significantly according to the importer and that this has created a very heavy burden on suppliers who have to undertake substantial additional work in order to satisfy clients from different parts of the EU.

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On EQ9 (sustainability):

- The TBI evaluation expressed concern about sustainability of improved chainsaw lumbering practices, and capacities of the community organisations and SLAs to continue the initial flow of benefits; ***the business case for community-based sustainable forest-based enterprise is yet to be made.*** Further strengthening of the community-level pilots would be required in order to establish a sufficient number of successful examples of communities and loggers engaging in legal and sustainable forest management practice that generates sufficient income to sustain rural communities. In this regard, it was recommended that the community-based small and medium forest enterprises in the existing pilot sites be strengthened and consolidated.
- For the private sector sustainability of the FLEGT Action Plan and the VPA is depending on the quality of the products they can export. If the desired quality of the products (legal or not) do not correspond to the market expectation then the FLEGT support would be futile since, “at the end of the day, companies need to see a return on what there are doing”. Attention for legality should go hand in hand with a process of improving the quality of the products. There is a need for more capacity building in the area of product development and meeting international quality standards.

On EQ10 (coherence and added value):

Effect of REDD on FLEGT/VPA and vice versa

- The Guyana REDD+ Investment Fund (GRIF) is a multi-contributor trust fund for the financing of activities identified under the LCDS. It was established in October 2010, with the World Bank as Trustee, in which Norway agreed to provide Guyana up to US\$250 million by 2015 in performance-based payments for avoided deforestation. With five consecutive payments over five years, in May 2015, Guyana’s earnings through the Guyana-Norway partnership totals US\$190 million. Norway, on its part, is keen to provide the world with a relevant, replicable model for how REDD+ can align the development objectives of forest countries with climate change.
- Payments are contingent upon a set of REDD+ Performance Indicators, and results against these indicators will be independently verified by the partnership. These indicators will gradually be substituted as the system for Monitoring, Reporting and Verifying (MRV) emissions from deforestation and forest degradation in Guyana is further developed. In this initial phase, however, Independent verification focuses on assessment of indicators of the REDD+ enabling activities, not REDD+ performance indicators.
- The *Indicators of Enabling Activities* provide information on progress regarding a set of policies and safeguards to ensure that REDD+ contributes to the achievement of the goals set out in the Guyana-Norway MoU. This includes, among others:
 1. Ensuring that systematic and transparent multi-stakeholder consultations will continue and evolve, including Guyana’s LCDS Multi-Stakeholder Steering Committee and other arrangements;
 2. Enabling the participation of all affected and interested stakeholders at all stages of the REDD+/LCDS process;
 3. Protecting the rights of indigenous peoples;
 4. Ensuring environmental integrity and protecting biodiversity;

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5. Ensuring continual improvements in forest governance; and
 6. Providing transparent, accountable oversight and governance of financial support received.
- Clearly, the 5th indicator, relating to forest governance, is a direct objective of the VPA agreement, while multi-stakeholder consultations and participation' and 'Transparency and accountable oversight and governance of financial support' (1st 2nd and 6th indicator) are key elements in the VPA approach as well. Therefore, there is potential synergy between FLEGT and REDD action, and this is reportedly a main reason for Guyana to engage in FLEGT/VPA. In the context of the Guyana-Norway partnership, the GoG has also committed to specific FLEGT/VPA objectives such as *the development of an interim definition of legality for the EU FLEGT VPA for Guyana by end of June 2013*.
 - The Assessment Report (footnote 6) reports that an early criticism of REDD was that it was too focused on carbon accounting and did not pay sufficient attention to forest governance. *The Guyana-Norway agreement avoids this criticism by incorporating various elements of governance including the EU-FLEGT Action Plan and the requirement for a Voluntary Partnership Agreement (VPA)*. The FLEGT Action Plan requires a multi-stakeholder consultation process and extensive consultation has been carried out with civil society and in particular Amerindian groups and commercial forestry operators. [...]. The EU-FLEGT Action Plan thus strengthens the Guyana-Norway agreement by tackling one of the key drivers of deforestation, illegal logging, and by enshrining consultation as a guiding principle.

Added value and coordination

- As Guyana is a relatively small country, with a small Forestry Commission, coordination across initiatives is not a major issue. With regard to FLEGT, the 'Sharing Experiences on FLEGT VPA' Seminar (Georgetown 17-19 November 2014) testified a good collaboration among key actors including EFI, FAO IDL, and Tropenbos International, among other main players with regard to FLEGT in Guyana.

Main Conclusions and Recommendations

Conclusion 1

From an international EU FLEGT perspective, successful conclusion of the Guyana VPA is of high importance. Guyana is the Latin American country where VPA development is most advanced and where chances of successful VPA implementation, including issuance of FLEGT licenses are relatively high - considering the general level of legal compliance and the national wood tracking system in place. With support from various projects, useful experience has been gained in multi-stakeholder dialogue on FLEGT-related constraints and in addressing some of the constraints faced by communities dependent on chainsaw milling to produce timber in a regulated and sustainable way. A lesson learned is that all relevant stakeholder groups need to be fully involved in the process from the start and that the status of outcomes of stakeholder dialogue needs to be clearly defined from the outset. An unexpected benefit from multi-stakeholder dialogue is an increased capacity - within communities and between communities and forest services - to deal with conflict applying a 'dialogue' approach.

Furthermore, as one of the REDD pilot countries, the Guyana VPA is meeting a pre-condition and adding value to REDD+ development and related payments. The conditionality of engaging with FLEGT/VPA as an enabling condition for release of REDD+ funds has proven to be beneficial for both the REDD+ and

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the FLEGT process. The Guyana experience shows how FLEGT and REDD can be mutually supportive and how efficiency gains can be made through a joint approach, especially in terms of awareness raising, dialogue and participation in (remote) communities. While FLEGT can help sustain livelihoods based on improved forest governance and sustainable forest management, REDD can help address higher objectives of reduced deforestation and forest degradation in situations where illegal logging is not the main driver of deforestation.

Last but not least, it was found that there is an expectation that VPA's would help address concerns in the Amerindian communities on land rights and security of access to land, and a need for alternative livelihood development in logging communities. Both require increased cooperation and synergies with other (i.e. non FLEGT/REDD) projects and development partners.

Recommendation 1a:

To continue full support to the Guyana VPA process in order to help realise a model for legal compliance and sustainable forest management in forest-rich countries while contributing to a successful REDD+ mechanism at the same time. Particular attention must be given to:

- 1. further inclusion and capacity building of local communities (i.e. Amerindian communities as well as community logging and forest producers' associations) involved in timber production or affected by logging activities – as they are covered by the requirements for small and large concessions but lack organisational capacities and proper record keeping and monitoring procedures to ensure compliance with chain-of-custody requirements.*
- 2. The development of successful business cases for community-based legal and sustainable logging approaches and sharing of good practices in this context.*
- 3. Development of alternative livelihoods for communities unable to continue their engagement in logging, which requires increased synergies with other projects and development partners.*
- 4. An immediate need expressed by the private sector is to assist the exporters in meeting the requirements for legal timber in the key consuming markets of Europe and North America.*

Recommendation 1b:

To international donors: to make successful engagement in VPAs an enabling condition for release of REDD+ funding in forest-rich countries, based on indicators showing substantive progress made - not just an involvement of the country in the process - to the benefit of both FLEGT and REDD processes.

Conclusion 2

Guyana's VPA negotiation process had been stalled for some time but is now moving forward again. The appointment of a facilitator from a VPA country has offered a good opportunity to share experiences. However, a need was expressed to learn more from other VPA countries; *"there is no point in reinventing the wheel"*. Despite international meetings (FLEGT Weeks, Chatham House meetings on Illegal Logging) there is still limited transfer of experience to address the various action areas of the FLEGT Action Plan, not only through the 'flagships' that VPAs represent.

Recommendation 2:

Establish a common platform for exchange among VPA countries in order to share their experiences, develop synergies and implement the FLEGT Action Plan as a whole system rather than loosely or non-connected elements.

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Conclusion 3

Public concerns about a range of illegalities (including rights to exploit concessions, over-exploitation of species, exports of logs including from informal sources, export-related fraud, inter alia), whether founded or not, are likely to be largely unaffected by the VPA currently being negotiated, because its scope is confined to exports to the EU which account for about 5% only of the roundwood equivalent volume which is exported from Guyana.

Recommendation 3:

While the definition of product scope under the VPA is the outcome of negotiation between the EU and its Partner Countries, there would be considerable additional value, including for Norway, if the scope negotiated were broader both geographically (to include all export destinations) and in terms of products.

Conclusion 4

The VPA primary focus on legality should not obscure the fact that market access is first of all about the quality of the products exported and sold in that market. Both aspects should get attention of the VPA.

Recommendation 4:

The VPA process should also contribute to improving the quality of the processing sector - in particular for sawn timber, currently the main timber industrial product both in the domestic and export markets - to meet international grading requirements.

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Annex 1 Key resource persons

Name	First name	Organisation	Type org.	Title / Position
Attah	Alhassan	IDL		Facilitator FLEGT
Mcgarrell	Michael	APA	NO	Policy advisor on FLEGT
George	Laura	APA		
David	Kenny	GFC		
Singh	James	GFC		Commissioner
Bholanath	Pradeepa	GFC		Head of Planning and Development
Khan	Tasreef	GFC		Deputy Commissioner
Devers	Didier	EFI		FLEGT advisor

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1. Introduction

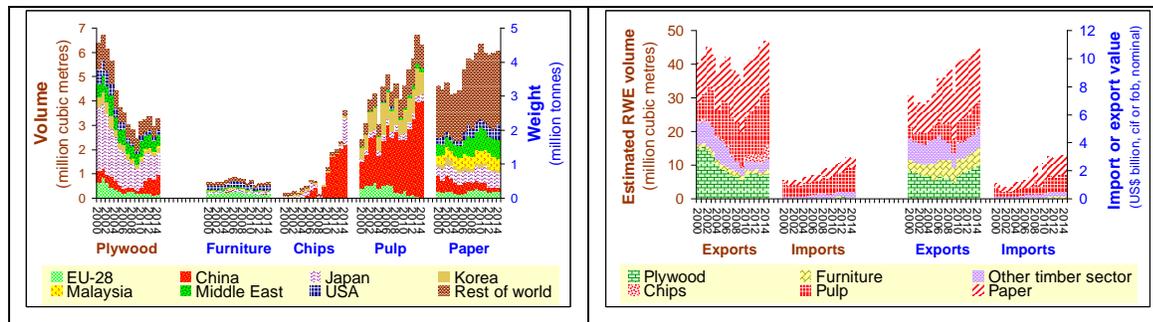
History of FLEGT in Indonesia

By the end of the last century Indonesia was characterised by rampant deforestation and illegal logging, causing significant environmental damage and very substantial losses in tax revenue¹⁵⁰ for the Indonesian Government. Actions taken since, strongly induced by government, in coordination with and with support of civil society and the private sector - first as an autonomous Indonesian process and later strengthened in the context of the FLEGT Action Plan (FLEGT AP) and the Voluntary Partnership Agreement (VPA) (which the Government of Indonesia (GoI) and the European Union (EU) signed in 2013)¹⁵¹ - are resulting in changes. While an important part of the forest resources have gone, illegal logging has significantly decreased according to official sources, and trade patterns have changed (including a significant decrease in the export of wood based products to the EU).

Trends in trade

Trends in trade in main wood-based products for Indonesia are presented in Figure 1. The charts illustrate that, overall, the physical quantity of Indonesia's exports of timber sector products declined by about half between 2001 and 2009, the greatest decline was of plywood to Japan. They also show that Indonesia's exports of paper sector products have greatly increased since early last decade. Most of that growth was of pulp and chips destined initially for mills in China. Pulp (particularly for the production of rayon, also known as viscose, a product which is not in the current scope of the EUTR) and paper account for the great majority of Indonesia's imports of wood-based products.

Figure 1. Indonesia's trade in wood-based products¹⁵²



- exports of specific products (by destination)

- exports and imports (by product)

Mission

In the context of the FLEGT AP Evaluation, commissioned by the European Commission (EC), through the European Forest Institute (EFI), Indonesia was selected as one of the VPA countries to be visited. Reasons for this include the facts that Indonesia can be considered as one of the front-running countries with respect to VPA implementation and development of its Timber Legality Assurance System (TLAS), and that Indonesia has strongly influenced in the shaping of the FLEGT AP since the early days. A

¹⁵⁰ Table 2.3 "East Asia Region Forest Strategy" World Bank 37696 (06 2006)

¹⁵¹ Negotiations started in 2008, the agreement was initialed in 2011, signed in September 2013, ratified in April 2014 by both sides (on EU side, this involved the European Parliament), and has been in force since May 2014

¹⁵² Source: based on Badan Pusat Statistik Indonesia and UN Comtrade.

Roundwood equivalent volume has been estimated here by, for example, multiplying volume (in m3 per m3) by 1.8 (sawn wood), 2.3 (plywood), and weight (in m3 per tonne) by 1.6 (chips & residues), 2.0 (particleboard), 2.5 (fibre board), 2.8 (wooden furniture), 3.5 (paper and joinery) and 4.5 (pulp). Where necessary volume has been estimated from weight by multiplying by 1.4 m3 per tonne.

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mission was fielded in June 2015 to harvest the views of a wide range of stakeholders representing the Government of Indonesia, the private sector and civil society, to take stock of the achievements, identify challenges and discuss the needs for future focus.

Special issues and report structure

The mission report describes key findings, structured according to the ten (10) evaluation questions (EQ) defined for the overall FLEGT AP Evaluation. While preparing the mission, based on reading and preparatory interviews with some stakeholders, the following themes were identified for special focus: 1) the multi-stakeholder engagement process; 2) the Indonesian TLAS; 3) trade issues, including the domestic market and related development of a public procurement policy and export market and the possible effects of the European Timber Regulation -EUTR ; 4) conversion timber. These topics are dealt with under EQ 3, on effectiveness. Annex 1 presents a list of stakeholders interviewed by the mission. Annex 2 presents the mission agenda. A timeline on VPA development in Indonesia is presented in Annex 3.

2. Key Findings

EQ1 (relevance)

Forest governance in Indonesia was particularly problematic during both the rule of Suharto and its aftermath (which included decentralisation of government). During September 2001, the then Gol hosted a conference in Bali concerning forest law enforcement and governance. That conference coincided with the 9/11 terrorist attacks and the subsequent worldwide anxiety and helped catalyse the FLEGT AP.

A Memorandum of Understanding (“MoU”) between Indonesia and the UK followed less than a year after that conference. During the next few years, Indonesia signed MoUs with a number of other countries regarding illegal logging and/or related trade.¹⁵³ The MoU with the UK reflected that, by 2004, a number of UK timber importers had stopped procuring from Indonesia due to concerns about illegality following mill audits commissioned by the UK Timber Trade Federation, and that the UK government wished to continue its long-established support for good forest governance in Indonesia. That MoU was followed by an Action Plan, under which the UK supported the development of a legality definition and subsequently the SVLK. These actions, and recognition that the UK could not and should not proceed on its own, inspired the EC to establish the FLEGT AP. One of the EC’s early contributions to this was the funding of feasibility studies for Indonesia’s VPA. The UK remains one of the leading contributors to Indonesia in this context. It now does so under the FLEGT AP, through its Multi-stakeholder Forest Programme (“MFP”) and other initiatives, including support for research into forest policy and illegality.

Although much of its forest has been either cleared or very heavily over-exploited during recent decades, the ITTO considers that Indonesia remains one of the world’s leading producers of tropical industrial roundwood.¹⁵⁴ It is also one of the world’s leading exporters of products deriving from land which was until recently natural forest. In so far as illegality was or is central to the clearance of that forest (and the consequent greenhouse gas emissions), those products might implicitly be illegal – which

¹⁵³ These countries were Norway (April 2002), China (September 2002), Japan (December 2002, Republic of Korea (July 2003), and Philippines (March 2005)

¹⁵⁴ Figure 2.1 and page 70 “Biennial Review and Assessment of the World Timber Situation 2013-2014” ITTO (07 2015) Note however that the ITTO figure seems to relate to all production of industrial roundwood, including from plantations – see footnote 17 below.

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adds to the relevance of the FLEGT AP. Alleged illegality characterised Indonesia's exports of timber sector and paper sector products during and before the early years of the FLEGT AP.¹⁵⁵ The scale of its supplies of wood-based products dwarfs that of a number of other VPA countries.

Indonesia is also particularly relevant in that, along with China and Malaysia, it supplies most of the very large volume of plywood which Japan imports (and this probably accounts for a substantial proportion of Japan's imports of illegal wood-based products¹⁵⁶, although much of this is now understood to have a core made from species grown on community-based plantations). Indonesia also supplies much of the tropical timber (and pulp from tropical countries) which is imported into Republic of Korea (which together probably account for a large proportion of Republic of Korea's imports of illegal wood-based products¹⁵⁷). The VPA with Indonesia might help push through reforms to effectively prohibit illegal wood-based products from the market (including central government) in those two countries. China (or perhaps only a very small number of influential enterprises in China) appears keen for FLEGT-licensing to commence in Indonesia, presumably in order to enhance its (/their) access to markets within the EU. Indonesia would be keen to gain competitive advantage over its rival Malaysia.¹⁵⁸

Indonesia's economy has greatly expanded since the launch of the FLEGT AP (2003). The country has been graduated to a middle income state. As a consequence, Indonesia no longer is eligible for some forms of direct support from some EU Member States. However, as an open ended political process, the FLEGT AP remains very relevant, particularly in addressing matters such as the allocation of concessions which are not within the scope of the current version of the Indonesian Timber Legality Assurance System ("SVLK"). It also remains relevant to support and demonstrate effective implementation of the SVLK, a nationwide obligatory system which applies to the supply of wood-based products from all sources to all destinations, including from community forest to small-scale manufacturers for end-use in Indonesia.

Reflecting its commitment, the GoI has tended to drive the evolution of the FLEGT AP. It has done so particularly in relation to EC Regulation 995/2010 (commonly referred to as the "EU Timber Regulation" (EUTR), even though this refers to products such as pulp and paper in addition to timber *per se*). It has also prompted the EU to take steps to monitor the market for FLEGT-licensed products. The EU is doing so by focussing on markets within the EU. However, it should also contrast the EU with markets elsewhere, not least because, to date, all VPAs require that exports to all destinations from a given country are subject to the same legality assurance system.¹⁵⁹

¹⁵⁵ The problem persists, for example, Asian Agri, an affiliate of one of two large groups' which dominate Indonesia's paper sector, was convicted of money laundering through tax havens controlled by an EU member State <http://www.theguardian.com/world/2014/may/10/asian-logging-giant-tax-labyrinth-british-virgin-islands>

¹⁵⁶ Based on the evaluations commissioned by Chatham House for its recent series of publications concerning illegal logging and related trade – an example of which is "Trade in Illegal Timber The Response in Japan" Mari Momii (11 2014). Those evaluations multiplied by estimates of the roundwood equivalent volume (based on official statistics of bilateral trade) for salient wood-based products and multiplied these by percentages of illegality deriving from surveys of experts' perceptions and the available literature, adjusted for year, destination and product.

¹⁵⁷ Based on the evaluations commissioned by Chatham House for its recent series of publications concerning illegal logging and related trade – an example of which is "Illegal Wood Import and Re-export: The Scale of the Problem and the Response in Thailand, South Korea and India" S Lawson (04 2014). Those evaluations multiplied by estimates of the roundwood equivalent volume (based on official statistics of bilateral trade) for salient wood-based products and multiplied these by percentages of illegality deriving from surveys of experts' perceptions and the available literature, adjusted for year, destination and product.

¹⁵⁸ "Illegal Logging and Related Trade The Response in Malaysia" A Hoare for Chatham House (01 2015)

¹⁵⁹ The countries which signed VPAs with the EU have tended to include all markets in their VPAs, not only the EU or other export destinations. FLEGT-licensing can commence if the legality assurance systems agreed for all supply chains within the scope of a country's VPA are being implemented sufficiently.

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Competition with similar producing countries is a further driver of Indonesia's apparent progress in the context of the FLEGT AP, as is the desire of the government of Indonesia not only to reassert the rule of law in all provinces but also gain reputation, establish regional leadership and to increase trade. A number of countries in south eastern Asia are said to be taking an interest in that progress and, as a consequence, this might be used to support EU diplomacy in those countries. However, it is not clear what aspects of that progress are of greatest interest to them – some might be problematic, such as how the SVLK addresses illegal allocation of permits, forest peoples' rights and respect for sustainable management of natural forest.

EQ2 (design)

The focus of the FLEGT AP / VPA process in Indonesia has been the legality assurance system. Internal reports for the EC tend to confirm the soundness of the design not only of the legality assurance system (SVLK) which Indonesia had proposed for its VPA with the EU but also of the structures which have been established to administer the SVLK. A broad range of stakeholders is encouraged to actively participate and groups of stakeholder can choose their own representatives.

Independent mechanisms to assess implementation of the SVLK have been established, and a joint action plan to advance (and monitor) VPA implementation towards FLEGT-licensing was proposed in late 2013. That plan has been revised twice since then based on the findings of the field work of the Joint Working Group.^{160 161} There are concerns that the SVLK is not being well implemented¹⁶² and that the work of the Independent Monitor is handicapped both by lack of transparency and personal security.

More generally, delivery of the FLEGT AP, particularly the VPA has been driven by Indonesia and has evolved with changing circumstances. Although this has probably helped optimise progress towards the broad objectives of the FLEGT AP, Sections EQ4 and EQ6 of this Aide Memoire refer to matters which have yet to be directly addressed, particularly the allocation of concessions. The momentum which has been achieved to date, and the structures and competences which have been established might be sufficient to establish interventions which directly address those other matters. However, there appears to be little appetite to do so.

EQ3 (effectiveness – by selected Action Area (“AA”)¹⁶³)

Support to producer countries (AA1)

Multi-stakeholder participation (AA1a)

An autonomous national multi-stakeholder process, involving the private sector and civil society next to GoI actors, started in 2002. However, when in 2008, after seven years of consultation, the first SVLK standard was established by the minister, there was a considerable difference with the negotiated standard, to the disappointment of civil society and some other stakeholders. With the VPA negotiations

¹⁶⁰ January and July 2015 respectively.

¹⁶¹ “Tender Specifications; Procurement Reference Number 07-8.2 -2015-F; National FLEGT Expert for Indonesia” European Forest Institute (03 2015) http://www.efi.int/files/attachments/open_calls/07-8.2-2015-f/00_tender_specifications.pdf

¹⁶² See for example “SVLK flawed: An independent evaluation of Indonesia's timber certification system” Anti-Mafia Coalition (03 2014) and “SVLK in the Eyes of the Monitor: Independent Monitoring and A Review of The Implementation of The Timber Legality Verification System, 2011-2013” A Meridian *et al* with JPIK (11 2014)

¹⁶³ During the evaluation mission special attention was paid to the topics in action areas 1, 2 and 7.

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formally starting in 2008 there was sufficient basis for further involvement and based on annual reviews the standard (actually version 5) has been improved to the level originally negotiated.

Multi-stakeholder participation is central to the VPA and SVLK.

Through the negotiation process and capacity building, often with support of FLEGT initiatives such as MFP or FLEGT projects funded through NGOs such as WWF, civil society organizations have achieved a place on the negotiation table and have strengthened their capacity to raise their voice. The multi-stakeholder engagement process has also led to better relations between GoI staff, private sector and civil society, not only at the national level, but also at the field level (e.g. district forestry staff with communities and NGOs). Although the GoI considers that the multi-stakeholder engagement approach is rather lengthy and costly, it nevertheless recognises that the approach has not only brought parties together in a more constructive way than otherwise likely but also that it has been well worth the effort.

Legality assurance system (AA1.b)

Prior to starting the VPA negotiations in 2007, and independently of the FLEGT Action Plan, the GoI established a national legality assurance system (“SVLK”). Since then, that system has been revised a number of times. Its scope now covers the supply of a broad range of wood-based products to all destinations, including end-users in Indonesia, and is obligatory for all enterprises (from large to very small). The SVLK’s structure is generally considered as robust by stakeholders in Indonesia. The strong sense of national ownership across Indonesia is an important success factor. Other than fundamental omissions which have been highlighted by civil society¹⁶⁴, concerns about chain of custody, and the difficulties (concerning official access to information and personal security) faced by Independent Monitors, the SVLK contains the elements one might expect from an independent certification scheme, like a) standards with specified criteria; b) independent conformity assessment bodies (“CABs”), which are accredited and controlled by the national accreditation body KAN (so far 2 CABs were suspended due to poor performance); c) complaints procedures; and d) independent monitoring mechanisms. Some implementation procedures are yet to be completed, while an import regulation is being designed in order to assure that imports are legal. Certain elements of the system are criticised by some stakeholders, such as the rating system for the PHPL standard (which refers to sustainability), which allows for a good, an acceptable or a non-conforming score (only the latter can be used to justify non-issuance of a certificate). Concerning this, stakeholders argue that you either comply or not but you can not comply partly. The rating system refers only to the sustainability standard under the SVLK, not to legality. Full legal compliance is required before a V-legal document (an export license) can be issued.

A special characteristic of Indonesia’s legality assurance system is that industrial roundwood production from large concessions within production forest zones of state-owned lands (permanent forest domain) must additionally comply with some criteria concerning sustainability (“PHPL”). PHPL must be achieved by the time the initial legality certificate expires (after three years)¹⁶⁵. Although PHPL is considered less comprehensive in the context of sustainability than the FSC system, some of its criteria and indicators concerning legality are considered to be covered better by SVLK/PHPL than by private sector certification schemes.

SVLK implementation started in 2009, and has been mandatory for all products listed in Annex 1 of the VPA since 01 01 2015 (having been mandatory for some of those products since 2013). Of the nearly 280

¹⁶⁴ The evaluation team has not seen English versions of the SVLK standard and its implementation procedures and therefore cannot judge the sufficiency of the SVLK.

¹⁶⁵ VPA revised Annex 5, page 4f

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permits to log permanent natural forest in 2014, roughly 60% were active and of these 80% were SVLK-certified (the remaining 20% were SVLK-certified in 2015). All industrial timber plantations which were active in 2014 were SVLK-certified. By April 2015, 1,400 processing companies had been certified. Far fewer small companies (referred to here as “SME”s) are SVLK certified, especially those which only operate in the domestic market. ASMINDO (a national association for the furniture industry, with 3,000 associated member companies, which has a policy to promote SVLK for 100 % of its members) indicated that by June 2015 all of its major exporting members are certified - not least in order to support their export to the EU, USA and Australia - and that prior to being SVLK certified, many of them had already some kind of certification (e.g. ISO, FSC). But for SMEs (70-80% of ASMINDO’s members are SMEs), it is not that easy, due to established practices, administrative requirements and certification costs. According to ASMINDO, so far, 50 % of its SME members are certified or in the process of being certified – especially those which export to the EU either directly or through agents¹⁶⁶. To many SMEs, the design and craft are more important than the source of the timber. They wonder why they should bother, while they pay their bills. As might be expected with such regulations worldwide, some see SVLK as an obstacle to their business and consider that “although it is regulated by the government, it is not obliged by the local market”. As long as there is no strict enforcement, they might wait and see.... The SMEs need awareness creation, training and external financial support to cover (part of) the certification costs.

In view of the above Gol/MFP are implementing a SME support program, providing training and financing the direct costs of certification (audit costs by the CAB). By the time of the mission approximately 2,000 SMEs have been SVLK certified (Ministry of Environment and Forestry). The Gol considers it a major challenge to get the rest certified. Gol is pushing for the rest of the SMEs to get certified before the end of 2015, but is not sure that will be possible. More likely it will require some years and significant financial inputs (from Gol, MFP-3, and possibly other sources). The outputs include an improved image of Indonesian timber (products) and guaranteed market access. There are no expectations of a price bonus for SVLK or FLEGT licensed timber.

Although there has been controversy concerning whether some furniture making enterprises should be exempt from complying with SVLK, there seems to be little pressure to allow small-scale producers more time to become SVLK-certified, or to allow those who use their home as a workshop to not be subject to the SVLK. However, if an SME does not export, it can demonstrate legality by a Suppliers Declaration of Conformity (“SDoC”) instead of being SVLK-certified (provided that all the timber derives from smallholder or private plantations). In addition, some support for SVLK-certification is offered to SME’s in the furniture sector from both government and larger companies which procure from SMEs.

There is consensus among all stakeholders on the need to start FLEGT licensing, including 1) out of fear of losing momentum; 2) due to the risk of “negative companies” affecting certified companies, challenging their investments in a system that does not yet deliver what is/was “promised” (as a result of the repeated postponement of projected dates for FLEGT licensing); 3) due to the risk of Gol deciding that a VPA (as distinct from SVLK) is not needed anymore; 4) because of the feeling that the EU is moving the goalposts, etc.. There is also some fear that 1) improving the SVLK will become more difficult once licensing has started and that 2) if the SVLK does not sufficiently address certain matters, then the reputation of the EU might get affected negatively. Some stakeholders therefore suggest that specific

¹⁶⁶ Due to the new Suppliers Declaration of Conformity (2015) SMEs that are not exporting do not need to be SVLK certified (if all of their wood raw material derives from smallholder or private plantations), but can use SDoC to demonstrate and document legality.

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conditions should be met before FLEGT licensing can start (e.g. concerning transparency and the legality of permits; the SVLK's current requirements should not be relaxed).

The GoI is of the opinion that the EC should actively promote FLEGT licensed products in the EU once available and should sensitise the market (and Competent Authorities in particular) to favour those products over alternatives, particularly those which are not FSC- or PEFC-certified. The Independent Market Monitor is the most evident response of the EC concerning this.

Trade in timber (AA2)

Domestic market (AA2a1)

Relevant statistics about production and transformation are not collated¹⁶⁷. Estimates are not available, but the roundwood equivalent ("RWE") volume currently entering end-use in Indonesia is probably in the order of 20-30 million cubic metres per year. In contrast, the annual "RWE" volume of timber¹⁶⁸ and paper sector products being exported from Indonesia in recent years has been very approximately 11 million cubic metres and 30-35 million cubic metres respectively. The corresponding amounts for imports are two million cubic metres and eight to ten million cubic metres respectively.

The market on Java differs markedly from that elsewhere – due to the availability of teak, sengon and, to a lesser extent, other species. On Java, most production derives from community-based plantations or the plantations of PT Perhutani (a state-controlled enterprise) – and has increased very rapidly during recent years (from 3.3 million cubic metres in 2011 to 7.4 million cubic metres in 2013.¹⁶⁹ Some building materials, such as plywood, are more likely to derive from trees which grew elsewhere in Indonesia, but would probably have been milled on Java, with sengon being increasingly used as its core.

The market for timber sector products elsewhere in Indonesia tends mainly to use timber from natural forest (as distinct from plantations), including by-products from export oriented mills. However, stakeholders suggest that most of the timber supplied derives from undocumented supply chains.

The SVLK applies to the domestic market and export markets. However, much (probably most) community plantations and small-scale workshops/factories are not yet SVLK-certified, even under the group scheme which the MFP3 supports under the FLEGT AP. Stakeholders comment that if workshops must only be in designated industrial zones, this would prejudice workshops in people's homes. Care would be needed to minimise the volume of wood from sources that would not qualify either for SDoC or SVLK certification but which might enter the supply chain under a system of self declaration. The EU and GoI have discussed mitigation measures.

The domestic market also imports finished and unfinished wood-based products. With effect from 01 01 2016, those imports will be subject to an import regulation. That regulation would tend to support local SVLK-certified manufacturers compete against supplies of uncertified products from countries which do not prohibit illegal products from their supply chains (imports from China have become a concern particularly in the market for wooden furniture in Indonesia).

¹⁶⁷ The FAO and ITTO suggest 62 million m3 of tropical logs were produced during 2014. Badan Pusat Statistik Indonesia suggests that for 2012 the total capacity of mills (each having a capacity >6,000 m3/year) was 68 million m3, production was either 62 million m3 (page 212) or (page 215) 49 million m3 of which 5 million m3 was from permanent forest and up to a further 17 million m3 probably also deriving from forest (particularly as clearance).

¹⁶⁸ Timber sector products are defined here as wooden furniture and all products classified in Chapter 44 of the UN's Harmonised System except those whose first four digits are 4401 or 4402; paper sector products are defined here as wood chips and residues, wood-based pulp and paper.

¹⁶⁹ "Statistik Kehutanan" Badan Pusat Statistik (for 2011, 2012 & 2013 - pages 206, 241 & 219 respectively)

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Policies in Indonesia which confine public or corporate procurement to SVLK-certified products and products having SDoC would tend to increase the number of suppliers which seek SVLK-certification and might sufficiently increase their profitability for them to afford the cost of the periodic audits which are needed if they are to retain their SVLK-certificates. Public procurement policies are being developed at national level and by some local governments. The latter is being facilitated (in Java) with support from the EU under the FLEGT AP.

Public procurement policy (AA2a2)

The relevance of the SVLK to Public Procurement Policy (PPP) is high in Indonesia, as the domestic market is large and expanding. Stakeholders suggest that as much as 30 % of the domestic market is government-related. A huge positive impact is expected but only for enterprises which are SVLK-certified (or whose products have SDoC), especially SMEs that are not involved in export.

In response to advocacy from a wide range of stakeholders, the GoI has prepared a draft PPP for wood-based products. The recent merger of the forestry and environmental ministries will have contributed to delays in the proposal being fully considered. Once a new organisational structure has been established within the new Ministry, the PPP is expected to be further discussed. In the meantime some districts and municipalities apply their own PPP (e.g. in Pasuruan, where there are many certified companies and a progressive administration, making it more feasible to introduce a PPP); a snowball effect is expected.

International market (AA2b1)

The mix of wood-based products being exported from Indonesia has changed greatly since 2003. Due partly to forest exhaustion and concern about legality, the volume of plywood being exported has declined by more than half and the export of sawn wood has been banned (if it has only been roughly sawn). Production of paper sector products has greatly increased. The two largest pulp milling groups have repeatedly failed to honour commitments to cease using natural forest as a source of pulpwood. However, the largest has stopped using such pulpwood since 2013 and the policy of the other has been to stop using pulpwood from trees which were felled in tropical forest after May 2015.

A large majority (about 40% by weight) of the paper sector products which are exported from Indonesia is destined (at least initially) for China, including for use by affiliates of the two multi-national groups which dominate production in Indonesia's large paper sector. The use of wood-based raw material deriving from Indonesia by China's paper sector explains most of the risk that China's exports of paper (including printed paper, which is not yet subject to the EUTR) are illegal. As the larger of those two groups recognises, if those two groups retain their SVLK certificates, FLEGT-licensing in Indonesia will remove much of that risk and consequently increase competition with paper companies based in the EU (and USA).

Although the EU has accounted for a small proportion (10%) of the roundwood equivalent volume of timber sector products being exported from Indonesia during recent years, its share of Indonesia's exports of mouldings, joinery and wooden furniture is nearer 30%. The USA imports a similar quantity of these products and likewise prohibits illegal wood-based products. Because the UK imports roughly one third of the weight of paper which Indonesia exports to the EU, the UK might have more leverage over Indonesia's controversial paper sector than any other member state. However, it is unclear whether the UK's Competent Authority has tried to use that leverage, or whether it has been asked to do so by those delivering the FLEGT Action Plan (particularly in Indonesia).

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In terms of volume and export value, Japan accounted for most of Indonesia's exports of plywood for many years, but its share has declined to about 30% (exports to China having increased recently to nearly 25%). Plywood's share in the roundwood equivalent volume of timber sector products being exported from Indonesia has remained roughly 60% for several years. This, and Japanese investment in Indonesia's plywood industry, implies an opportunity to promote SVLK to markets for plywood in Japan. Also, Indonesia supplies roughly 30% of those markets' imports but its main competitor Malaysia (primarily Sarawak) now supplies a larger share (40%).

There is a very substantial mismatch between the quantity of sawn wood which Indonesia reports as exports (almost zero) and the quantity which its trade partners report as imports of sawn wood from Indonesia (in the case of China several hundred thousand cubic metres).¹⁷⁰ Although the mismatch declines if one aggregates sawn wood with mouldings, it remains substantial.¹⁷¹ This mismatch is not being addressed (including under the FLEGT AP). Some of the sawn wood imported from Indonesia by China might be from plantations - notably sengon (sometimes referred to as falcata) – as seems to be the case with China's imports from Philippines (probably for use in blockboard). Contacts monitoring the trade suggest that much of the remainder is sonokeling (*Dalbergia latifolia*) which is used particularly in musical instruments. Musical instruments are not yet subject to the EUTR (which places EU manufacturers at a disadvantage relative to their competitors in China).

EC Regulation 995/2010 ("EUTR"), (AA2b2)

The GoI as well as stakeholders from the private sector and civil society recognise the importance of the EUTR as an essential part of the FLEGT AP. They consider that without the EUTR, the VPA would not have so much effect. The parallel implementation of the VPA and the EUTR is considered as a necessary reinforcing mechanism and was framed by Indonesia as a reciprocal obligation during its VPA negotiations.

Effective implementation of the EUTR is considered essential and there is concern that its implementation is currently weak ("more teeth for the EUTR shall be helpful"), and unfair (in not focusing on sources of supply which are less likely to be legal than those in Indonesia). The GoI, which advocated that the EC to introduce the EUTR, is particularly keen that the EUTR is implemented fairly and robustly.

Some companies have received training with respect to export under the EUTR. However their awareness about the EUTR is not evident, some big exporting companies seem not to have heard of it; they seem to trust on the future acceptance of the FLEGT license and - for the time being - on the recognition of their SVLK certificate. Among the companies interviewed none received requests for information from EU Competent Authorities. Only few received such requests directly from their EU clients. In cases where information is sent by suppliers in Indonesia, this might not always relate directly or fully to the specific shipment – for reasons which might either include deception or merely be because a comprehensive set of documents might not be readily available. However, in such cases, it seems that Operators in the EU tend to neither appreciate this nor seek clarification. Companies indicate

¹⁷⁰ For example, concerning sawn wood under HS code 4407, during 2013 and 2014 respectively, China imported 226,000 tonnes and 258,000 tonnes from Indonesia but Indonesia exported 30,000 and 44,000 tonnes towards China. Similarly the Netherlands imported 7,600 and 6,400 cubic metres from Indonesia but Indonesia exported 400 and 600 tonnes towards the Netherlands. Source: based on UN Comtrade.

¹⁷¹ Second paragraph page 40 "Indonesia - Scoping Baseline Information for Forest Law Enforcement, Governance and Trade" A Prasetyo, J Hewitt and Chen HK (01 2012)

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a willingness to satisfy their client's requests for documentation. The community forestry group interviewed was not aware of the EUTR, yet they have expectations to export to the EU.

Although some NGOs consider that the EUTR has more effect than the Lacey Act, too few cases have been prosecuted so far. However, the GoI seems to consider that the EUTR is being implemented in ways which unfairly give equal status to SVLK-certified products and products which are likely to be illegal given what is widely alleged about their supply chains in their country of origin.

China is said to becoming more interested in the Indonesian VPA (and the related SVLK), as a result of the EUTR and presumably in order to provide markets (particularly in the EU) additional assurance that the raw material which China uses when making the products which it exports are from legal sources.

Private sector initiatives (AA4)

The TTAP (Timber Trade Action Plan) project (2010) is said to have been very important as it demonstrated the feasibility of implementing the SVLK. TTAP staff also helped with the technical design of the SVLK supply chain management system, which benefited from their practical experience in the field, and gave confidence that the private sector could actually implement the SVLK system.

“High Level Market Dialogues” plus a host of other B2B events have over the years proved invaluable in both highlighting the changing market demand for legal timber and getting buy-in from industry and government. Buyers have been out from Australia, the EU and US to explain their due diligence/due care expectations.

Finance and investment safeguards (AA5)

Much of the financing for a large new pulp mill which is being constructed in South Sumatra is provided by a state-owned Chinese bank which is said to have asked the range of probing questions about legality and sustainability which should be asked by those who invest in such projects. Irrespective of that Bank's motivations, this seems to be a particularly interesting example of the increased awareness which the FLEGT AP seeks to achieve under this Action Area.

Some stakeholders pointed out the need for banks and investors operating in the EU to stop financing businesses dependent on deforestation. One EU-based bank has recently agreed¹⁷² to cease its engagement with one of Indonesia's two largest paper sector groups (both of which are currently SVLK-certified). However, other stakeholders comment that, despite the progress which has been made and the fact that many of the largest suppliers of wood-based products in Indonesia are at least SVLK-certified (and some are PHPL-certified), this is not yet reflected in the corporate policies of banks and investors (including in Indonesia).

An affiliate of one of the two largest paper groups in Indonesia has recently been convicted of tax evasion (involving the use of a tax haven under the jurisdiction of an EU Member State - the UK - which, coincidentally is the leading importer of paper from both Indonesia and China in the EU).¹⁷³ However, although such information should be taken into account in due diligence under the EUTR, this does not seem to have had any impact on the weight of paper which the EU imports from Indonesia (those

¹⁷² “Greenpeace UK Action: Santander's Lending Policy, Specifically with Regards to Deforestation” Santander website (25/02 2015)
¹⁷³ <http://www.theguardian.com/world/2014/may/10/asian-logging-giant-tax-labyrinth-british-virgin-islands>

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imports have been increasing since the beginning of 2013 (when the EUTR came into force). UK's imports of paper from China have likewise been increasing since then.

EQ4 (implementation management and coordination - gaps and shortcomings)

Coordination between different GoI ministries is said to be good and expected to contribute to the effective implementation of the SVLK thereby improving governance in the forestry sector. Coordination includes the Ministry of Environment and Forestry, Ministry of Trade, Ministry of Industries, Ministry of Finance (Customs Service), Ministry of Agriculture and the Ministry of Foreign Affairs. While the latter actively promotes the recognition of SVLK abroad, the Ministry of Industries for example controls the compliance of companies with e.g. health and safety procedures, introduced through the SVLK. SVLK is leading to bureaucratic reforms, improved control and coordination. Such a coordinated approach may not only affect forest governance, but can also have a wider governance effect. Some suggest that further coordination with the police and military would be needed, to strengthen law enforcement. Others are wary of this as they consider that these forces are part of the problem. At the same time, the anti-corruption unit KPK keeps an eye on the moves of major forest sector companies (part of the “hard approach” as compared to the promotion of SVLK certification, being the “soft approach”). However, there is concern that efforts are being made to weaken KPK.¹⁷⁴

In addition, publication of a Ministry of Trade regulation extending the validity of self-declaration for export demonstrates that policy is still subject to political interference by vested interests, and that consistency between government departments is below par.

Since the “graduation” of Indonesia to mid-income country status, bilateral support by most of the donors has been phased-out and formal donor coordination has greatly diminished. For example EC funding for development assistance in general has declined from well over € 400 M/year to “almost nothing”. Climate change remains a focal area for the EC, but the forest sector is not. The EU Delegation repeatedly expresses that it does not have sufficient resources to fulfil its obligations under the FLEGT AP, and the imminent loss of a key member of staff will further deepen this problem. Nevertheless, the EU Delegation has held a few informal meetings and intends to start a more formal coordination mechanism with a subgroup of FLEGT-relevant donors.

The UK (particularly through its MFP) is actively supporting the EU Delegation in the conduct of the VPA with Indonesia, and the European Forest Institute is providing additional support, particularly in the form of technical assistance.

However, that support might not be sufficient to overcome capacity constraints within the EU Delegation. That lack of capacity is said to be compounded by the frequency of apparently *ad hoc* projects - unrelated to the FLEGT AP - to which the delegation has to react (“projects falling from the air” as a result of centrally organised Calls for Proposals). These constraints were repeatedly stressed by the EU Delegation during the team’s visit. Particularly at this critical stage, when Indonesia seeks to reap rewards from the investment it has made in implicitly supporting (and driving) the FLEGT AP, this weakness might jeopardise the FLEGT AP and the EU’s stature – in Indonesia and elsewhere (given that the FLEGT AP has hitherto been a “flagship” of EU diplomacy in the region). Reasons suggested for this

¹⁷⁴ See for example <http://www.thejakartapost.com/news/2015/06/17/revision-kpk-law-not-a-ploy-weaken-kpk-deputy-house-speaker.html> and <http://www.thejakartapost.com/news/2015/01/27/weakening-kpk-corruptors-fight-back-manual.html>

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that the FLEGT AP is development co-operation matter not a trade matter, and that having been reclassified as a middle income country, the EC's budget for development co-operation has been cut.

FLEGT-licensing (coupled with the international prestige which could follow) would be the reward. However, it is generally agreed that any agreement to formally commence FLEGT-licensing should be subject to conditions – some would insist on pre-conditions (before licensing starts). The Joint Action Plan on VPA advancement outlines what – according to criteria specified in a specific Annex to the VPA – needs to be in place before licensing can start.

The interchange of personnel between civil society, the MFP, what is now the Ministry of Environment and Forestry is encouraged. Depending on their calibre, this may contribute to the coherence of policy and practice in the context of the FLEGT AP. In contrast, there is a risk that the recruitment by certification accreditation bodies of auditors having links to companies in the timber or paper sectors compromises the integrity of audits under the SVLK – at least until Independent Monitoring is sufficiently comprehensive, respected and well established.

As indicated under section 1 above, Indonesia has tended to be influential in the evolution of the FLEGT AP (not only in Indonesia). However, during recent years, SVLK seems to have been the primary focus of the FLEGT AP in Indonesia. Nevertheless, several other interventions under the FLEGT AP are taking place, for example concerning the finance sector and transparency in the private sector. Under the Indonesia-European Union Action Plan for Advancement of VPA Implementation,¹⁷⁵ particular attention is being given to the provisions of the VPA and their implementation, and the consistency of national regulations with those provisions.

There has yet to be an analysis of how much of what Indonesia currently exports to the EU would be denied entry to the EU once FLEGT-licensing commences – the quantity (of products listed in Annex 1A of the VPA) which is not yet SVLK-certified would presumably be excluded.

There has also yet to be an attempt to use the EUTR strategically to enhance progress under the FLEGT AP, particularly in regard to the scope and validity of legality assurance systems, for example in relation to illegalities which take place prior to the issuance of documents which purport to authorise logging or clearance (a fundamental concern, not only in Indonesia), and Competent Authorities might not have the power to question SVLK-certificates.¹⁷⁶

There have been several (five) versions of the SVLK. There does not seem to be either official or unofficial translations of these, or a comparison between each version. This clearly makes it difficult for Operators in the EU to carry out due diligence under the EUTR, and handicaps independent assessment by Competent Authorities and others (including by the evaluation team) of what aspects of the supply chain are not yet within the scope of the SVLK¹⁷⁷ However, the contents of the current SVLK are reflected in the most recent version of Annex V to the VPA.¹⁷⁸

It is not clear what further progress is sought by the EC under the FLEGT AP in Indonesia. However, the parties have agreed to develop a long term plan for the period after FLEGT-licensing. There does not seem to be a mutually agreed assessment either of the problems which remain or options for their

¹⁷⁵ http://eeas.europa.eu/delegations/indonesia/documents/eu_indonesia/euidn_vpa_201503summary_en.pdf

¹⁷⁶ However, the EC has tended to minimise the potential of that regulation by failing to provide a mechanism for such strategic use – or to otherwise encourage Competent Authorities to be strategic. For example, the UK is the leading destination for the EU's imports of paper from Indonesia (and China, which imports by far the largest quantity of pulp from Indonesia) – based on analysis of data published by Eurostat.

¹⁷⁷ Companies in Indonesia report that Operators in the EU tend not to know what information to seek when carrying out due diligence, adding to the cost of exporting to the EU.

¹⁷⁸ <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32015D1158&qid=1448609129935&from=EN>

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solution. Such problems would presumably pertain to, for example, forest clearance, forest people's rights, and processes (particularly corruption) which take place prior to the issue of documents purporting to authorise logging or clearance.

Reports concerning the response of Indonesia (and other countries) to concern about "illegal logging" have been published under the auspices of the FLEGT AP.¹⁷⁹ Those reports define illegal logging to include illegalities which take place prior to the issuance of documents purporting to authorise logging or clearance. That definition is not limited to what the EU's partner countries choose to include in their VPAs. The report on Indonesia advocates the exploration of options to forgive or otherwise address the sort of fundamental illegality which allegedly characterised the timber and paper sectors of Indonesia several years ago.¹⁸⁰

Progress towards a legality assurance system has been more rapid in Indonesia than in most other VPA countries. However, perceptions about the readiness of Indonesia to supply FLEGT-licensed products tend to differ depending on whether the stakeholder is in Java or elsewhere (particularly in the EU). Improved communication (as distinct from publicity) between all stakeholders might help resolve this, perhaps by making explicit the changes which have yet to occur. It might also help if companies which are complicit in illegality were dissuasively penalised and if restitution were made to those adversely affected.

There is little evidence that those in the EU who are accountable for delivering the FLEGT AP in Indonesia are seeking to address the illegalities which take place in connection with forest clearance (and logging in production forest), despite the widely recognised impact which such deforestation has on biodiversity, forest peoples and crucially, climate change. REDD+ initiatives also appear to have had little impact. In connection with both REDD+ and the FLEGT AP, the EC and EU Member States have binding international obligations, not only in relation to indigenous peoples' rights. Despite initially being distracted by the scale of prospective REDD+ funding, stakeholders increasingly accept that progress depends on robust forest governance (and, implicitly, prior implementation of the FLEGT AP). Efforts are being – and need to be – made in Indonesia to help shape the evolution of the Indonesian Sustainable Palm Oil standard, including through the Tropical Forest Alliance and advice based on experience with the SVLK.

Potential target dates for FLEGT-licensing have been discussed¹⁸¹ (but, at the time of writing, none have been jointly accepted).

EQ5 (achievement of objectives)

There has been substantial improvement in forest governance in Indonesia since 2003, and illegal logging *per se* has greatly declined since the first half of last decade. The extent to which the FLEGT AP directly contributed to this is less relevant than the counterfactual. It is widely acknowledged that without the FLEGT AP, far less would have been achieved. The stewardship (of the process of improvement) by particular individuals within the EU Delegation, the UK's MFP and EFI is widely commended, as is their technical input to the VPA and SVLK.

¹⁷⁹ For example "Illegal Logging and Related Trade - The Response in Indonesia" A Hoare and L Wellesley (10 2014) and "Illegal Logging and Related Trade - Indicators of the Global Response" S Lawson and L MacFaul (07 2010)

¹⁸⁰ Page 27 "Illegal Logging and Related Trade: The Response in Indonesia" A Hoare and L Wellesley (10 2014)http://www.illegal-logging.info/sites/files/chlogging/CHHJ2306_Indonesia_Logging_Research_Paper_FINAL_FOR_RELEASE1.pdf

¹⁸¹ as in final paragraph http://eeas.europa.eu/delegations/indonesia/documents/eu_indonesia/euidn_vpa_201503summary_en.pdf

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That said, Indonesia (from government, through industry to civil society) has driven that process. Multi-stakeholder engagement has been at the centre of this.

Civil society has been particularly apparent since the end of Suharto's rule, and its capacity has been strengthened through the support of a number of international civil society organisations, including with funding support from EU Member States. Amongst other things, this has generated reports on specific instances of alleged illegality, for example in connection with the smuggling of logs and the supply for merbau, partly in order to sustain the process of improvement in forest governance. The support has also helped civil society to evolve sufficiently to serve as an Independent Monitor (under the auspices of JPIK), to check that the SVLK is being properly implemented. However, personal security remains a major concern for civil society – including Independent Monitors – as does access to data about SVLK-certified concessions / companies (despite a freedom of information act).

EU Member States have also contributed funding to research into topics which are central to the VPA in Indonesia, particularly through CIFOR. This has included assessments of the pulp and paper sector (how mills were financed and land was obtained), forest clearance and tree plantations, the rights of forest peoples, and studies pointing to whether or not Indonesia is ready for FLEGT-licensing.

In terms of their weight or volume, Indonesia's exports to the EU prior to the EUTR coming into force were declining but have tended to increase during the last year or so. This might reflect the progress made by both small- and large-scale enterprises gaining SVLK certification and might also reflect Operators in the EU gaining confidence in the credibility of those certificates (and supplementary certification concerning sustainability according to the PHPL standard) – which would tend to reduce demand for FLEGT-licensing. However, the trend might be attributable primarily to a combination of the end of recession in Indonesia's main markets in the EU, exchange rates, and perceptions that EUTR will be weakly enforced.

SVLK certification (mandatory for small and large enterprises alike) has tended to be welcomed by the enterprises which are certified, as has the management discipline which this requires. Most large forest and plantation areas are now certified. Unsurprisingly, most small enterprises and small-scale producers of industrial roundwood are not – although several such businesses have received support for certification from the EU. Once again, SDoC is acceptable as an alternative if the SME does not export.

Assessments of the impact of the FLEGT AP on deforestation would depend on the definition of forest (i.e. the purpose of the assessment). Indonesia tends to deem forest and tree plantations as equivalent, despite being self-evidently different in terms of their ecology and local livelihoods.

According to GoI sources, 10 years ago more than 80% of the timber and timber products was illegal; that has been decreased now to less than 30% (both for export and domestic market). As the large export companies are now SVLK certified, most of the remaining illegal timber flows are presumably destined for the domestic market.

However, changes in legality depend on the parameters being considered (particularly in relation to plantations)¹⁸², the weighting one assigns to each, and whether one assumes that SVLK-certified mills only transform SVLK-certified wood raw material. Some illegalities have yet to be formally resolved, notably concerning land-use designation, concession allocation, customary rights, and forest clearance (including for plantations if on deep peat, and if fire is used). Those illegalities (concerning production

¹⁸² For example, the definition of illegality on page 11 of "The Lacey Act's Effectiveness in Reducing Illegal Wood Imports" Union of Concerned Scientists (10 2015) differs from that on page 5 of "Methodology for Estimating Levels of Illegal Timber- and Paper-sector Imports Estimates for China, France, Japan, the Netherlands, the UK, the US and Vietnam" A Hoare for Chatham House (11 2014).

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on islands other than Java, including for pulpwood) may be widespread, intractable and not current. Further, an assessment of legality verification systems which examines a recent version of the SVLK identifies risks that such systems may provide a superficial indication of legality¹⁸³.

If supply chains involve inter-island trade, then this would tend to increase the risk that those supplies are associated with illegality. This is because there would more be links in the chain, giving more opportunity for fraud, for mixing with illegal supplies, and for informal payments to be demanded.

EQ6 (Other, unexpected outcomes)

It seems that no detailed assessments have been made either by the EU or jointly by the EU and Indonesia concerning what the FLEGT AP could achieve in Indonesia, or what remains to be achieved.

The scope of Indonesia's VPA, like that of other countries which have negotiated VPAs with the EU, includes the supply of most forms of wood-based products, not only logs, sawn wood, veneer and plywood which must as a minimum be included in most VPAs, to all destinations, including for end-use in Indonesia. This might have been desired but does not seem to have been expected when the FLEGT AP was being conceived.

Stakeholders in Indonesia have demonstrated sustained support for the FLEGT AP. Indonesia has been influential in the evolution of the FLEGT AP, most notably in connection with EUTR and the Independent Market Monitor – and remains concerned about weakness in the former; the latter has only recently been contracted.

Indonesia is developing a national public procurement policy and an import regulation. The former would tend to help small businesses justify the cost of SVLK certification.

Reflecting the apparent success of the SVLK, there has been discussion about whether Indonesia might serve as a role model for legality assurance systems in other ASEAN countries. The GOI is willing to lead a related ASEAN Knowledge Network. Representatives of most members of ASEAN have visited Indonesia to learn about the SVLK and VPA.

EQ7 (contribution to higher objectives)

1) Sustainable forest management

The area of (timber sector) plantations and forest concessions certified to FSC standards in Indonesia is gradually increasing, with the support of The Borneo Initiative and IDH (a sustainable trade initiative based in the Netherlands). However, the view that FLEGT-licensing will soon commence is being promoted so heavily in Indonesia that interest in FSC-certification is tending to decline – and prices for FSC-certified products are now similar to those of SVLK-certified products. In contrast, the two leading paper sector groups in Indonesia - which had previously given the impression of being amongst the most committed to the SVLK - have recently had a large area of plantations PEFC-certified under a scheme newly established by Indonesia. The SVLK includes a mandatory sustainable forest management standard for concessions in state forest ("PHP").

¹⁸³ "False Assurances - A Briefing for International Buyers and Customs Authorities on how Indonesia's Timber Legality Verification System Fails to Protect Community Rights" E Harwell and L Cortesi for RAN (04 2015).

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2) Deforestation

Statistics of forest cover give no indication of the nature of that forest (particularly its biodiversity, potential to emit or sequester greenhouse gases, management, and contribution to local livelihoods). Consequently they can be highly misleading. However, efforts to map forest in Indonesia both by remote sensing and from the view point of indigenous peoples' rights are taking place, including with support under the FLEGT AP.

Forest clearance for mining or for plantations which produce either wood raw material for the timber and paper or commodities such as palm oil and rubber is referred to under the heading "wood raw material from forest clearance".

Although plantations and other industries generate paid employment, forest-dependent people displaced by those industries tend not to gain employment, especially if they have not given Free Prior Informed Consent for the change of land use. Further, problems of dependency might arise (including among smallholders dependent on palm oil mills).

Deforestation (in addition to improved law enforcement) is said to explain why much of the illegality which characterised production of wood-based products in Indonesia during the early years of the FLEGT Action Plan has ceased. It also helps explain the steep reduction in the annual allowable cut which was prescribed in Indonesia last decade.

As a number of people stressed during the interviews, further deforestation is an inevitable consequence of the type of economic growth which is being promoted for various reasons at various levels of government in Indonesia and elsewhere. It would seem therefore that little progress has been made to curb deforestation – as a higher objective of the FLEGT AP – despite allegations¹⁸⁴ that much is illegal.

At present the biggest driver of deforestation and illegal logging in Indonesia is palm oil production. Commentators in Indonesia suggest that, as in Sarawak, the collapse of peat domes associated with clearance of forest and subsequent drainage for plantations (particularly of oil palm) is increasingly flooding those plantations, causing their output to decline.¹⁸⁵ There is a moratorium on clearance of certain types of forest. However, the continuing destruction of forest is widely reported and a concern, according to some GoI officials. Stakeholders emphasise that interest in "developing" remaining areas with significant natural forest cover, including on Papua and in Aceh, remains a very real threat.

Indonesian stakeholders consider that it is important that all conversion timber needs to be SVLK certified, whether or not it is procured under permits to utilise wood from natural forest which is being cleared either for an industrial scale plantation or for mining). This would deter illegal forest clearance and help close loopholes attributable to weak safeguards concerning community forest. The permitting of forest clearance is complicated by the subletting or overlapping of concessions, moratoria against logging, and gazettement. In addition, sub-district heads currently are said to have the power to issue permits for up to the clearance of up to 2,000 m³/year – but without close monitoring, such permits might be used as a means to launder illegal wood.

Media reports tend to confirm the view that most industrial roundwood produced from the clearance of natural forest is currently destined either for pulp mills (but this depends on where the forest is being

¹⁸⁴ "Consumer Goods and Deforestation: An Analysis of the Extent and Nature of Illegality in Forest Conversion for Agriculture and Timber Plantations" S Lawson for Forest Trends (09 2014)

¹⁸⁵ https://youtu.be/FhLkBGYI_tw?t=34

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cleared) or local end-use, and that little is used in making plywood given the quality of that wood (previously a significant user). The use of forest clearance as a source of supply of wood raw material was presumably readily apparent in Indonesia long before the VPA was signed, not least given the repeated failure of the two leading paper groups to honour their own commitments to cease using such pulpwood. Given that those two groups now only procure pulpwood from plantations, that their procurement policies include pulpwood for their mills in China, and that they account for most of Indonesia's pulp production, those policies would tend to reduce the volume of industrial roundwood produced from forest clearance.

The most fundamental illegalities associated with forest clearance are largely the same as those associated with logging in production forest – namely those which take place prior to the issuance of documents purporting to authorise clearance or logging. Those illegalities include corruption – which tends to be difficult to prove. Although it is said that Indonesia's VPA is being tightened as a consequence of revisions to the SVLK, it nevertheless seems that those illegalities do not yet need to be considered when assessing whether to approve an SVLK-certificate¹⁸⁶. This fundamental weakness should be taken into account when considering 1) how to describe FLEGT-licensed products which are associated with such illegalities (possession of which is not illegal in the EU and is to some extent encouraged under the FLEGT AP), 2) whether to promote Indonesia as a role model for the EU's VPAs with other countries and 3) when considering the merit of seeking to apply best practice from the FLEGT Action Plan to other sectors (notably those whose supplies might derive from land which was until recently forested – especially palm oil). A formal study comparing the relative merits of the ISPO and the SVLK might be constructive in this context.

3) Local livelihoods

Local groups¹⁸⁷ have been trained and strengthened within the context of FLEGT AP in addition to SVLK. They are managing plantations and/or processing timber products and look forward to the new market opportunities offered by working in a formalised way. Some even consider that they can start supplying the EU market (perhaps through agents). These improved prospects are tending to inspire small enterprises in other sectors.

4) Forest peoples' rights

The Constitutional Court ruling that the state has no authority to allocate land which is subject to customary rights might generate further progress if implemented with robust safeguards nationwide (particularly in the most autonomous regions). Until recently, most land subject to logging or clearance had not been gazetted. A number of donors (including from the EU, implicitly under the FLEGT AP) are contributing to efforts to map and gazette indigenous people's land across Indonesia. Reference is made in Section 10 of this Aide Memoire to EU Member States' international obligations concerning such rights.

EQ8 (efficiency)

With respect to the efficiency of implementation of the FLEGT AP/VPA/SVLK stakeholders consider that the multi-stakeholder approach took a long time and was rather costly but nevertheless worthwhile.

¹⁸⁶ SVLK checks some possible illegalities such as implementation of EIA and concurrence with land classification. It however does not evaluate all steps of the permit allocation. IPK information must be made public and is part of IM and PE oversight.

¹⁸⁷ The NGO ARUPA alone attends 25 community forestry groups and 30 SMEs, representing an estimated target group of more than 100,000 families.

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In relation to SVLK, auditors, monitors and others are being trained at considerable cost (particularly because the numbers of people being trained is large). In order to be effective it was suggested that auditors of CABs are given more training, because many of them are recent graduates (who have little relevant experience concerning ways the system can be cheated).

Below, investments made in FLEGT are compared to the potential outputs.

The EU Delegation indicated that the FLEGT process in Indonesia has been very efficient to them, due to the enormous support that GoI has given. In the early days of FLEGT (2003 – 2008) a project was financed for € 12 M, of which € 9 M was actually spent. Additional EC funding has included support from EFI (TA, staff time, missions), EC involvement (staff time, missions), two projects through FAO-FLEGT facility for Indonesia and some EC funded projects for civil society including Indonesia (e.g. a WWF project directed at capacity building of CS). So far the total FLEGT investment in Indonesia through these EC programmes is estimated to have been not more than € 20 M.

The Indonesian FLEGT process has received little financial support from EU Member States, with the exception of the UK, that has financed a series of Multi-stakeholder Forestry Programmes for respectively £ 25 M (MFP-1; 2001 – 2006) of which most was not spent, £ 10 M (MFP-2; 2008 - 2014) and £ 10 M (MFP-3; 2014 – 2017)¹⁸⁸, in total equivalent to an amount of approximately € 60 M.

Rough estimations from the MoEF indicate the GoI contribution to amount an annual input of approximately 20 Billion Rps¹⁸⁹, equivalent to € 1,5 M¹⁹⁰, which would add up to a total investment of approximately € 20 M since 2002.

The direct costs of SVLK certification are approximately Rps 30 – 40 M¹⁹¹ per company; a company has to be re-audited every 1 -2 years (at similar costs¹⁹²). A group certification scheme has been introduced to manage costs for SMEs (at least 5 SMEs sharing a group). By the end of 2014, approximately 840 large entities and 235 SMEs were certified, at a total estimated cost of € 5 M¹⁹³. Provided that another 10,000 SMEs would be certified using the group certification scheme, this would require an additional € 5 M every 1 - 2 years.

The cost for certification of concessions is estimated to be 300 M Rps per concession of 100,000 ha. Based on distribution of concession size an estimated € 15 M has been invested in certification of natural forest. An additional € 10 M might be needed every two years for certification of plantations. The above mentioned *direct certification costs* only refer to the audit costs. *Indirect certification costs* (i.e. cost for preparation of the company in order to reach a certifiable level) are generally estimated to be at least as high as the direct costs. There would thus have been required an additional (one time) € 25 M for *indirect certification costs*.

Another issue with respect to funding is the Independent Monitoring system. The evaluation team estimates provisionally that a few million euros might be needed on an annual basis to allow for effective Independent Monitoring, in addition to funding needed to set-up the system. It is unclear how

¹⁸⁸ Originally EC would co-finance € 10 M to MFP-3, this was later reduced to € 5 M, but when it was actually requested there was no more money available.

¹⁸⁹ In 2015 a total investment of Rps 30 Billion is foreseen by GoI.

¹⁹⁰ Data from the VPA country survey should enable for a more precise cost estimation.

¹⁹¹ Equivalent to approximately € 2,000 to € 3,000 per company.

¹⁹² Large company: annual surveillance, certificate valid 3 years, smaller companies: certificate validity longer (6-10 years) and every 2 years surveillance.

¹⁹³ Basis for calculation: a. big companies: 1,000 x € 2,500 = € 2.5 M; b. SMEs (estimation that 1,000 SMEs with an individual certificate paid for it themselves; rest has a group certificate, paid for by GoI): 1,000 x € 2,500 = € 2.5 M

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these costs will be covered, and the funding and implementation approach seems to be rather ad-hoc. By making use of (implicitly well-motivated) civil society as local monitors the set-up of the system tends to be cost efficient.

The Anti-Corruption Unit (KPK) of GoI is working in a highly efficient way; although it has a limited number of staff dedicated to the timber sector, it works through a network of more than 200 local NGOs, increasing the number of informants in the field exponentially. In 2014 KPK focussed on the mining sector; considerable amounts of money were recovered from outstanding tax payment and fines issued to companies, due to which the national revenue increased with US \$ 3.4 billion, approximately equivalent to € 2,650 M. In 2015, KPK focus is on the timber sector and expectations for national revenue recovery are high. Despite the KPK's relevance, there does not yet seem to be any formal cooperation between KPK and those who are representing the EC in delivering the FLEGT AP. However, KPK's aim is to be dissuasive, rather than to minimise the availability of rent-seeking opportunities.

The export value of Indonesian wood-based (products) was US \$ 10 billion in 2013. Based on SVLK recognition and FLEGT licensing the GoI expects to increase that by US \$ 3 billion (equivalent to approximately € 2,500 M). Another significant effect of the FLEGT AP could be a considerable increase in national revenue due to KPK operations, provided its powers are not weakened. In absence of more precise data, when comparing at least the size of input to date and recurrent input required (for certification, system management and independent monitoring) with the size of potential output, the overall investment in FLEGT appears to be rather efficient. It may be clear that not only robust SVLK implementation and control but also effective law enforcement and prosecution will be essential for the level of efficiency to be reached.

EQ9 (sustainability of processes)

The obligatory SVLK/PHPL certification system requires audits every one or two years, depending on size of concession or enterprise. Especially for SMEs, this involves a recurrent additional cost, which will be difficult to recoup if most enterprises become SVLK-certified. The SDoC approach helps to make costs manageable for non-exporting SMEs. Some stakeholders suggest that there is a need for sustainable funding to enable the compensation of recurrent SME certification costs. Others consider that the cost of SVLK-certification and (the much smaller cost of SDoCs are normal costs of “doing business”).

Also, as indicated in Section EQ8 above, sustainable funding is needed to cover the recurrent cost for Independent Monitoring (and also for periodic evaluation, annual audits and impact monitoring). This includes the cost for effective implementation, complaints procedures and/or processing against companies or the GoI when relevant, but also for guaranteeing the safety of the independent monitors. This is an urgent issue, as Independent Monitoring is crucial to credible implementation of the SVLK /FLEGT licensing system. Budgets for the future funding needs of the Independent Monitor do not yet seem to have been proposed. These would depend on targets concerning the number, type and location of assessments particularly if monitoring is to be carried out strategically.

Most stakeholders consider that it is important to start soonest with FLEGT licensing in order to assure the sustainability of the FLEGT AP actions/ VPA investments so far. However, the evaluation team is not in a position to advise on whether or with what conditions FLEGT-licensing should start. While some companies are wondering why they have invested in a system that does not yet deliver the promised FLEGT licenses, some politicians are wondering whether the country should continue with the VPA in case of further delay. The expectation is that once the train is running, further improvements can be

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made and - when supported by effective law enforcement activities - the remaining companies can be more easily convinced that they have to comply as well.

EQ10 (coherence and added value)

Due to the reported wide coordination with other GoI ministries, there is the sense that all are working towards the same goal and that such a coherent approach will not only lead to improved forest governance, but will also have wider effects on governance in general sense. This coordination is not only reflected in participation in working groups and committees, but also in the implementation of specific tasks in the field (e.g. control by the Ministry of Industries on health and safety procedures applied by companies or issuance and/or control of permits to enable operations) or bureaucratic adjustments (e.g. the adjustment of the Forestry Act and the law on agrarian reform, enabling communities access to 12.7 million hectares of forest land¹⁹⁴).

Other sectors are said to be interested to learn from the SVLK scheme. The Ministry of Agriculture and the Ministry of Trade would like to develop a similar system for the palm oil sector. For the mining sector there are thoughts to apply a similar set-up as SVLK for e.g. copper, tin, manganese and coal. Yet, following such a set-up will only make sense if there is a real successful implementation, including effective enforcement, specifically concerning the allocation of permits.

There is no duplication with other programmes, rather synergy and complementarity, e.g. with The Forest Trust and the Tropical Forest Foundation. According to several stakeholders, including representatives of GoI, FLEGT AP has clear added value. Without the FLEGT AP the SVLK would have been a standard, but probably without effective implementation and not much would have changed. Due to the FLEGT AP/the VPA there has been continuous pressure for effective implementation, annual reviews of the VPA, widely commended technical assistance and process guidance by EFI staff and support in the back to get more sensitive issues arranged. Altogether FLEGT support is considered relevant and essential for the achievements of the process so far.

The EC and/or EU Member States have international obligations – for example concerning human rights, including through the UN Declaration on the Rights of Indigenous Peoples (2007)¹⁹⁵, which obliges respect of indigenous people’s individual and collective rights. The evaluation team is not on a position to judge whether the EC would be in breach of these obligations if the EC deems the SVLK sufficient for FLEGT-licensing before, for example, implementing regulations for the Constitutional Court ruling are in place and being respected sufficiently widely across the archipelago, and including on Papua.

3 Main Conclusions and Recommendations

Factors that have influenced the FLEGT/VPA development importantly include leadership by the GoI, established civil society networks, widely recognised need, multi-stakeholder engagement, and strategic and technical support from the EU (including the EU Delegation, the UK’s MFP programmes and EFI, both corporately and through the calibre and commitment of those involved). Challenges in Indonesia which remain include the scope of the SVLK, law enforcement, legacy issues (concerning past illegalities), transparency and personal security for Independent Monitors, rights of indigenous peoples, and forest clearance. Unfair implementation of the EUTR is a concern, as is the long term commitment

¹⁹⁴ The nature and location of such forest land is yet to be defined.

¹⁹⁵ <http://undesadspd.org/indigenouspeoples/declarationontherightsofindigenouspeoples.aspx>

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of the EC. There are signs that some synergy is being developed between the FLEGT AP and other sectors of the economy, including at local level.

Specific conclusions:

- The structure of Indonesia's TLAS (SVLK) is considered by most stakeholders to be robust. There is wide consensus among the Indonesian stakeholders that FLEGT licensing should start as soon as possible, yet some require certain preconditions to be met and/or guarantees to be given that certain issues do get addressed adequately within a given timeframe before licensing starts.
- There has been much focus on the development of arrangements that enable the trade in legal wood-based products, the "T" element of the FLEGT AP. This is supposed to contribute to improvement of the forest governance, the "G" element of the FLEGT AP. However, as long as law enforcement remains weak, the impact of the FLEGT AP on forest governance might also be regarded as superficial.
- Several Ministries of GoI are involved in the effort to improve forest governance through the effective implementation of the SVLK system. SVLK is thereby leading to bureaucratic reforms, improved control and coordination, not only in the main implementing Ministry, MoEF. Such a coordinated approach may not only affect forest governance, but can also have a wider governance effect.
- Others, like the Ministry of Agriculture, the Ministry of Trade and the mining sector, are said to be interested in the experiences of the SVLK and apply a similar system.
- It has become clear that the EU Delegation, whereas it is involved in management of the VPA, has insufficient resources, both financial and human, to effectively represent the EC and support the GoI in this flagship initiative, especially at this crucial stage. The EFI EU FLEGT Facility has expressed its willingness to help fill the gap where appropriate, but this does not seem to be a structural solution..

Specific recommendations:

- Before setting a fixed date for the start of FLEGT licensing, come to a responsible mutual *agreement on what has to be addressed before licensing starts and ensure that these issues are adequately tackled within a prescribed time frame with support of all relevant stakeholders*
- *Focus more strongly on effective law enforcement (including by focussing on the military and the police), particularly by further strengthening coordination with relevant GoI enforcement agencies, including KPK, and respecting freedom of information (especially the rights of Independent Monitors to documentation necessary to assess SVLK certificates), ensuring the personal security of Independent Monitors.*
- *Further strengthen inter-ministerial coordination and cooperation, especially with respect to law enforcement, including through KPK.*
- *Before SVLK and/or VPA experience is promoted as a possible model, there needs to be successful implementation, including with respect to effective law enforcement and dealing with issuance of permits.*
- *Provide the EU Delegation with the necessary resources to enable it to represent the EC as intended.*

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Annex 1 Itinerary of the FAPE mission to Indonesia

(JA–Jakarta; SEM-Semarang; YO-Yogyakarta; EUD–EU Delegation; NL–Netherlands; UK-UK)

Date	Time	Place	Activity
Tu 26/05	Morning	UK, NL	Visa arrangements Embassy UK, NL (JH, PZ)
We 27/05	All day	UK, NL	Preparation (contacts, reading, planning); JH, PZ
Th 28/05	All day	UK, NL	Preparation (interviews, reading); JH, PZ
Fr 29/05	All day	UK, NL	Preparation (interviews, reading); JH, PZ
Fr 06/06	All day	UK, NL	Preparation (reading, practical); JH, PZ
Su 07/06	Afternoon		Departure from UK, NL (JH, PZ)
	Evening		Reading (JH, PZ)
Mo 08/06	Morning		Reading (JH, PZ)
	Afternoon		Arrival Jakarta (JH, PZ)
	Evening	JA; hotel	Meeting team (JH, PZ)
Tu 09/06	Morning	JA; EUD	Meeting with mission facilitator Rio Bunet (EFI); up-date preliminary agenda ; arrange phone cards; (JH; PZ)
		JA; EUD	Meeting with EFI facilitator Arbi Valentius;
		JA; EUD	Briefing with EU Dep. Head of Delegation (Mr. Colin Crooks), FLEGT Focal Point EU (Mr. Giovanni Serritella) , EU Head of Cooperation (Mr. Frank Viault) and FLEGT-VPA facilitator DFID-MFP-3 (Mr. Andy Roby); (JH, PZ)
	Afternoon	JA; EUD	Group meeting CS with Mr. Affifudin (Kemetraan), Mr. Stepi Hakim (MFP-3) and Mr. Rio Bunet (consultant); (JH, PZ)
	Evening	JA; hotel	Team meeting (JH, PZ); reading
We 10/06	Morning	JA; MoEF	General stakeholder meeting at Ministry of Environment and Forestry, chaired by Dr. Agus Sarsito (MoEF, SVLK) with presentations of key stakeholders and general discussions on FLEGT and the mission (JH, PZ)
		JA; MoEF	Short individual meetings with representatives of SVLK , KAN, MoEF, MoFA, MoF, MoT, Mol, KPK, Secretariat of Cabinet, MFP-3, private sector (CABs, APHI, APKINDO, KLI) and civil society (JPIK, others)
	Afternoon	JA; MoEF	Meeting with MoEF Director (Dr. Dwi Sudharto), MFP-3 Director (Dr. Edi Nugroho) and FLEGT/VPA Focal Point IND (Ms. Mariana Lubis); (JH, PZ)
		JA; MoEF	Explanation LIU digital information system on SVLK certification by VPA Focal Point IND (Ms. Mariana Lubis)
		JA; MFP-3	Meeting with FLEGT VPA Facilitator (Mr. Andy Roby); (JH, PZ)
		JA, EUD	Meeting with Mr. Giovanni Serritella; (JH, PZ)
	Evening	JA; hotel	Team meeting (JH, PZ)
Th 11/06	Morning	JA; MoEF	Interview Director APHI (Mr. Herman Prayudi); (JH, PZ)
			Travel to Semarang (by air); discussions team with Mr Nunu Subhanudin (NS) (LIU, MoEF) and Mr Rio Bunet (RB); travel to Kendal (by car)
	Afternoon	Kendal	Group meeting with 2 district forestry service staff and 11 staff of PT KLI (JH, PZ and NS, RB)

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		Kendal	Visit to PT KLI plywood factory
	Evening	SEM, hotel	Team meeting (JH, PZ)
Fr 12/06	Morning		Travel to Boja – Mijen by car
		Mijen, EM	Interview 4 staff PT Eastwind Mandiri (export-oriented furniture factory); (JH, PZ and NS, RB)
		Mijen, EM	Visit to Eastwind Mandiri furniture factory
	Afternoon	Mijen, EM	Interview director of PT Albasia Bumi Pala (sawmill and plywood factory, sourcing from community forest in Temanggung); (JH, PZ and NS, RB)
		Magelang	Interview director of SME PT Haim Makmur (factory for ship ladders and furniture); (JH, PZ and NS, RB)
	Evening		Travel to Yogyakarta (by car) and
		YO, hotel	Team meeting (JH, PZ)
Sa 13/06	Morning		Travel to Bantul (by car)
		Bantul	Interview with 5 members of Wono Lestari community forestry group and ARUPA (Mr. Sugeng Triyanto); (JH, PZ and NS, RB)
		Bantul	Field visit to forest area and projects of Wono Lestari; (JH, PZ and NS, RB)
	Afternoon	Bantul	Interview director of 1 artisanal association (wooden souvenirs); (JH, PZ and NS, RB)
		Bantul	Group discussion with directors of 3 SMEs (furniture, and Mr. Sugeng Triyanto); (JH, PZ and NS, RB)
	Evening		Sightseeing and travel to airport (departure NS)
		YO, town	Meeting (JH, PZ and RB)
Su 14/06	Morning	YO, hotel	Reading; reporting
	Afternoon		Sightseeing Yogyakarta and travel to airport (by car)
			Travel to Jakarta (by air); (JH, PZ and RB)
	Evening	JA, hotel	Team meeting (JH, PZ)
Mo15/06	Early morning		Travel to Bogor (by car)
	Morning	Bogor	Group interview 4 staff LEI (Ms. Diah Suradiredja; Ms. Diana; Mr. Hayu Wibaya; Mr. Rio Bunet); (JH, PZ)
			Interview PEFC (Mr. Nurcuhyo Adi); (PZ)
			Interview Greenpeace (Mr. Yuyan Indradi); (JH)
	Afternoon	Bogor	Group meeting civil society stakeholders Bogor FWI (Mr. M. Kosar), JPIK(Ms. Mardi Minangsari), ICEL (Ms. Citra Hartati)
	Evening	Bogor	Interview with 3 WWF staff (Mr. Adityo Bayunanda, Mr. Ian Hitman and Mr. Nursama); (JH,PZ)
			Travel Bogor to Jakarta (by car)
			Team meeting, analysis (JH. PZ)
Tu 16/06	Morning	JA	Interview at Embassy of Norway (Ms. Marthe Hotvedt, Mr. Susilo Ady Kuncoro); (JH, PZ)
		JA, town	Preparation feed-back stakeholder meeting
	Afternoon	JA, FSC	Interview FSC (Mr. Hartono Prabowo); (JH, PZ)
		JA, KPK	Group meeting with 2 staff of KPK (Mr. Johnson Ridwang Ginting and Mr. Timer Manurung) and representatives of 3 local cooperating NGOs; (JH, PZ)
	Evening	JA, hotel	Preparation feed-back stakeholder meeting
We 17/06	Morning	JA, hotel	Skype meeting with ASMINDO (Mr. Lisman); (JH, PZ)
	Afternoon	JA, EUD	Debriefing with Mr. Giovanni Serritella and Mr. Frank Viault (JH, PZ)

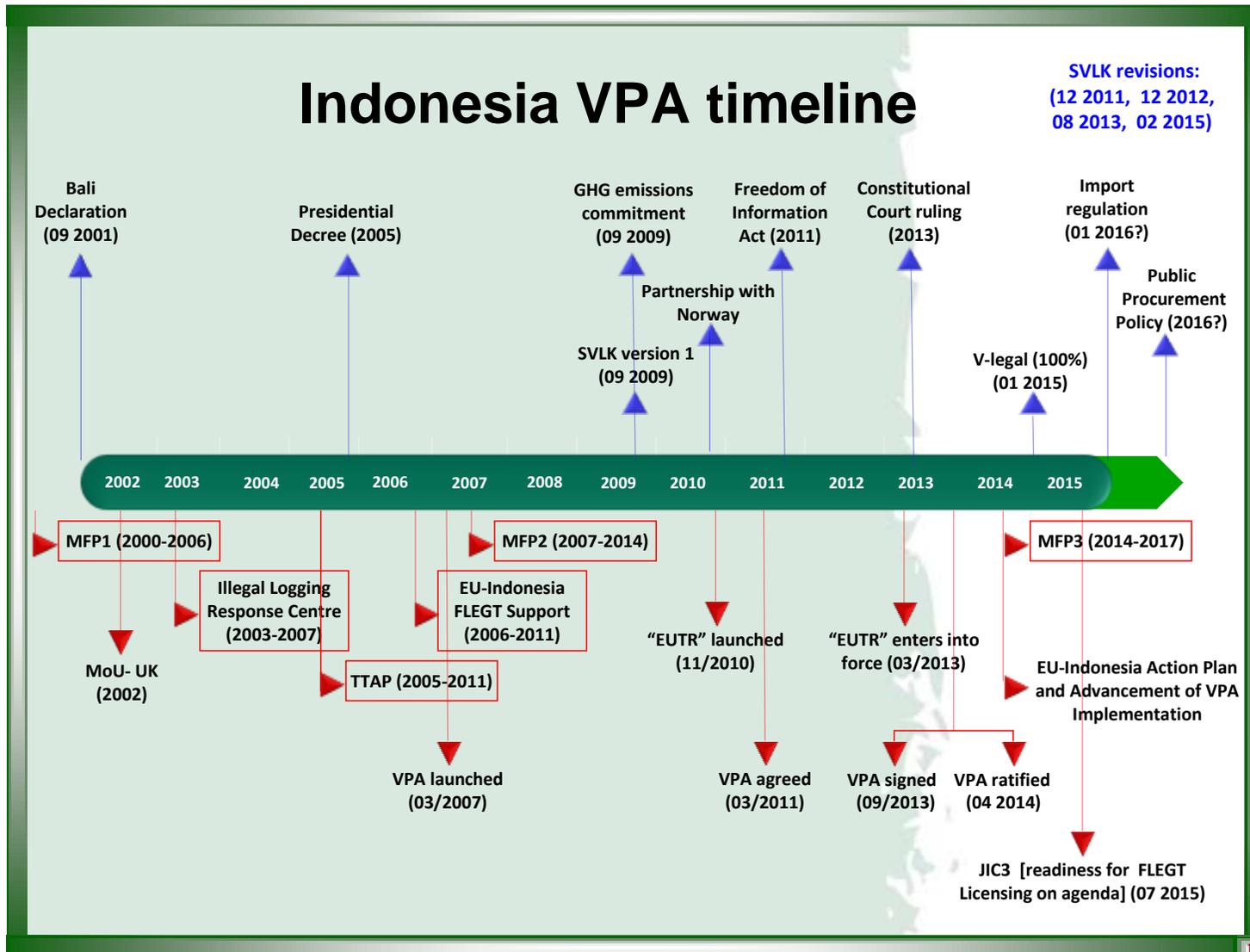
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	Late afternoon		Travel to NL (PZ); JH departs on 22/06
		JA	Interview at Ford Foundation (Dr. Steve Rhee) (JH)
	Evening	JA, hotel	Skype interview of GIZ regional cooperation (ASEAN) and climate change (Mr. Roman Roehrl); (JH)
Th 18/06	Morning	NL	Arrival NL (PZ)
	Afternoon	JA, hotel	Reporting (JH, PZ)
Fr 19/06	All day	NL	Preparation feed-back stakeholder meeting (PZ)
	Morning		Travel to Bogor (JH)
	Afternoon	Bogor	Interview CIFOR researcher forest governance (Dr. Krystof Obidzinski and Mr. Heru Komarudin); (JH)
	Afternoon		Travel to Jakarta
Sa 20/06	All day		Day free
Su 21/06	All day	NL, JA	Preparation feed-back SH meeting (JH, PZ)
	Afternoon	JA, hotel	Skype interview of WWF-UK, GFTN (Ms. Julia Young); (JH)
Mo22/06	Morning		Interview APP Director (Ms. Aida Greenbury); (JH)
		JA, MoEF	Courtesy visit Dr. Agus Sarsito (JH)
	Afternoon	JA, EUD	Feed-back stakeholder meeting (JH)
	Late afternoon		Travel to UK (JH);
	Morning	UK, NL	Arrival UK (JH) and reporting (JH, PZ)

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Annex 2 FLEGT Timeline for Indonesia



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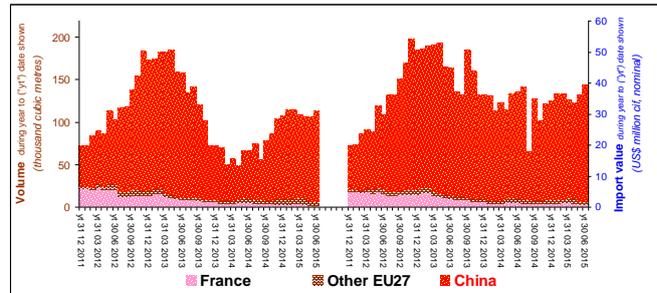
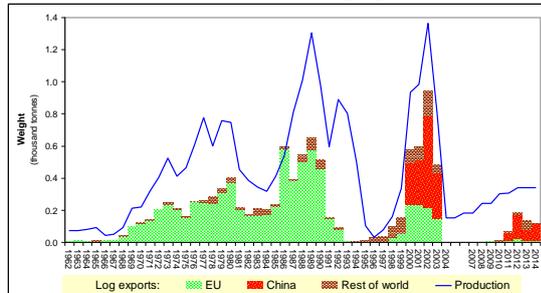
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1. Situation of the country with regard to FLEGT action

In the context of Liberia, the FLEGT Action Plan is demonstrating its great potential to assist in the development of a poor, forested country despite powerful export-oriented logging interests, pressure for economic growth, and a very limited local capacity.

The following charts and paragraphs illustrate the context.

Production and trade in logs from Liberia¹⁹⁶



Production & imports of logs from Liberia

The EU and China's imports of logs from Liberia

Negotiations for a Voluntary Partnership Agreement (“VPA”) between Liberia and the EU commenced during 2009 – after other donors substantially withdrew their support (other than for community forestry). No timber had been exported from Liberia since 2003, initially as a consequence of UN sanctions (which, from 2003, also covered exports of logs). Those sanctions were imposed in order to minimise the flow of funds to factions fighting in Liberia’s many years of civil war.^{197, 198}

With effect from 2006, all logging concessions were cancelled. This followed a review, supported by USAID and the World Bank, which confirmed that all logging between 1979 and 2003 had been illegal¹⁹⁹. The review did not lead to companies (or their owners or directors) being barred from the sector²⁰⁰. However, the VPA requires that debarment will be a condition for legal compliance,

A National Forest Reform Law was introduced during 2006. It sought to integrate logging with community benefit and conservation. The latter is not prominent in the FLEGT Action Plan and follows the Protected Forest Act (2003), which committed the government to protect at least 30% of the then existing area of forest in Liberia. However, the percentage depends on the definition of forest and what protection means in practice.

A year later, Liberia became the first country to include forestry in its Extractive Industries Transparency Initiative (“EITI”). Under the Liberia EITI, an audit of resource concessions granted for logging, commercial agriculture, mining, oil and gas between 2009 and 2011 revealed that almost 90% were illegal.

In its Poverty Reduction Strategy paper of 2008, the IMF forecasted that annual log production in Liberia would increase from almost zero to a “sustainable” level exceeding 1.3 million cubic metres by 2012.²⁰¹ However, the volume of logs of each species that can be sustainably extracted from the forest area designated for commercial logging has yet to be established. Although that target greatly

¹⁹⁶ Source: FAO FORESTAT (IRW production), UN Comtrade (imports of logs 1961-2014), Eurostat and China Customs (imports of logs 2011 to mid-2015). Note: according to Liberfor 240,000 cubic metres of logs were exported (by sea) during 2012 – one third more than indicated in the left hand component of this chart – generating 9.1 million Swiss Francs in tax revenues (page 35 “Corporate Sustainability Report 2012” SGS (02 2013).

¹⁹⁷ See for example page 17 et seq “Chopping Progress - An assessment of Liberia’s forestry sector and its impact on state-building” M An, H Apakan, S-A Foster, J Keller-Fish, and JMeisenheimer for CICR and UNDP (04 2013)

¹⁹⁸ “Diamonds, Sierra Leone, a War Criminal and a Supermodel” Global Witness (08 20110)

¹⁹⁹ Second paragraph page 2 “Investment in the Liberian Forest Sector – A Roadmap to Legal Forest Operations in Liberia” J Woods, AG Blundell, R Simpson for Forest Trends and Liberia’s FDA (02 2008)

²⁰⁰ First paragraph page 345 et seq “The Liberia Forest Initiative”

²⁰¹ Page 64 “Liberia: Poverty Reduction Strategy” IMF (07 2008)

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exceeds the roughly 100,000 cubic metres imported from Liberia during the year to 30 June 2015, it is similar to the exceptional volumes at the peak of Liberia's civil war.

The export-oriented model of industrial-scale forest exploitation which has been established since the civil war is widely viewed to have "under-performed". Forest quality (which has tended to be worse than anticipated^{202, 203}) will have contributed to this.

Community forestry is perceived by many as a credible alternative – provided that safeguards are in place to ensure that forest land is not misappropriated for clearance for export-oriented commercial agriculture. The latter, particularly as palm oil, is rapidly expanding with high level support. However, numerous reports suggest that this is causing renewed conflict with communities,²⁰⁴ has tended to not follow due process, and might not be consistent with Liberia's obligations under the Africa Charter on Human and Peoples Rights.²⁰⁵ Nevertheless, some progress has been made, notably through a law governing community rights with respect to Forest Lands - the Community Rights Law – which was passed in 2009. . Liberia's Land Rights Policy, adopted in 2013, makes further progress.

The EU accounted for the great majority of the timber which Liberia exported since the 1970s until the end of the 1980s, when the first civil war ceased. The EU's imports of logs from Liberia surged in 2000, during the second civil war (but were soon eclipsed by those of China).²⁰⁶ However, the FLEGT Action Plan in Liberia is not presented as compensation for the contribution which the EU made to those wars by providing a market for conflict-timber.

2. Key Findings

On EQ1 (relevance):

The FLEGT Action Plan is relevant to Liberia particularly as a vehicle for establishing good governance. Institutional capacity is weak and the export of logs generates substantial revenue for Liberia. Although local communities have yet to receive the share of that revenue to which they are legally entitled, a first tranche (of US\$ one million) is now available from the National Benefit Sharing Trust (which was designed in the National Forestry Reform Law).

It is well known that the small number of current large-scale logging concessions - Forest Management Contracts ("FMC") - is characterised by legal non-compliance (in relation to the process of allocating concessions^{207, 208} and their subsequent operation). However, there is less concern about this than about the impact which suspending or reallocating the concessions would have, albeit temporarily, on government revenue and the ability of the Forestry Development Authority to function.

Poor governance and an absence of forest law enforcement would put what is left of the forest and the livelihoods of communities dependent on them at risk.

The FLEGT Action Plan has helped to initiate a transformation in governance and practice and in demonstrating the need for legislative change. In particular, 29 Private Use Permits, seen as

²⁰² For example "Toward a West African Forests Strategy" LTS and ONF International for PROFOR (04 2011)

²⁰³ "An Assessment of Liberian Forest Area, Dynamics, FDA Concession Plans, and their Relevance to Revenue Projections" PL Shearman for Green Advocates and RRI (01 2010)

²⁰⁴ For example "The New Snake Oil – Violence, Threats, and False Promises at the Heart Of Liberia's Palm Oil Expansion" Global Witness (05 2015)

²⁰⁵ Second paragraph "Forest Governance and the Voluntary Partnership Agreement Deepening forest sector reform in Liberia" SK Siakor for SDI (07 2011)

²⁰⁶ Trade statistics indicated in this Aide Memoire derive mainly from General Administration of Customs of the People's Republic of China, Eurostat and UN Comtrade.

²⁰⁷ "Final report for the LEITI Post Award Process Audit" Moore Stephens (05 2013)

²⁰⁸ "Chopping Progress An assessment of Liberia's forestry sector and its impact on state-building" An M. et al. for CICR and UN (04 2013)

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incompatible with the VPA, were revoked during 2014.²⁰⁹, ²¹⁰ The Government of Liberia expects to revoke the remaining 34 Private Use Permits, once a hearing officer (yet to be appointed) has completed the necessary administrative procedures. This has been greatly assisted by the engagement of civil society, particularly in improving the understanding of the political economy of forests in Liberia, and in independently monitoring practice. In turn, this has demonstrated the benefits of engaging with communities and civil society.

The VPA itself, the capacity of civil society which it has helped develop, and the collaborative spirit which multi-stakeholder engagement has generated provide a basis for the agreement between Norway and Liberia, and will have had some influence on REDD+ in Liberia.

On EQ2 (design):

The FLEGT Action Plan in Liberia is being delivered jointly by the UK and the EC. The UK is leading on behalf of the EU, as part of its broader interest in Liberia's forest sector. Most of the EC input is through a joint support programme managed by the UK (which finances the VPA Support Unit and the Legality Verification Department's service provider). The EC has also financed civil society/private sector projects directly or through the ACP FLEGT Programme (managed by FAO). Both the EC and UK also support the VPA through the EU FLEGT Facility. However, that support is small relative to the budget for the main support programme. There is liaison with other donors, notably the USA, which, from 2007, helped establish the chain of custody system, World Bank and Norway.

The VPA seeks both to promote trade in legal timber deriving from sustainably managed forests, and to enhance forest law enforcement and governance. Central to this is the development of a legal framework helping to ensure that all timber likely to be imported into the EU from Liberia has been legally produced.²¹¹

It is doing so primarily by supporting the Forestry Development Authority in relation both to exports and to end-use in Liberia. That support includes building on a chain of custody system which is already well established but which does not assess legality or small scale production (which is mostly destined to the local market).²¹² It also has helped establish a Legality Verification Department to manage the legality assurance system, including its chain of custody. In doing so, care will have been taken to avoid the contractual difficulties (notably concerning ownership of data) which have set back progress in at least one other VPA country.

There are currently only seven large-scale concessions. They cover a little over one million hectares. All commenced in 2009 and are for 25 years.²¹³ Their output is subject to the national chain of custody system, which in future should also cover informal production.

It is assumed that, in the long term, the volume of legal and illegal logs exported (and produced for end-use in Liberia) will be sufficiently large that the share of government revenue attributable from this to the Forestry Development Authority will cover the FDA's costs, including that of the chain of custody system. The chain of custody system is currently paid for in full by that revenue, much of which, as indicated in EQ1 above, derives from production that the VPA, if enforced would exclude. Lack of information about the forest resource and the zoning of land compounds the difficulty of

²⁰⁹ Final paragraph fourth page "Benefits of the Voluntary Partnership Agreement - A Liberian Civil society perspective" SAMFU, SESDev and SDI (07 2015)

²¹⁰ Nevertheless, the chain of custody system indicates that export permits were granted during the final three quarters of 2014 for the export of a little over 200,000 cubic metres of logs, of which about 6% derived from Private Use Permits. Approximately 3,500 cubic metres of logs from CFMAs were given export permits during 2014.

²¹¹ First clause Article 1 "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" (07 2012)

²¹² Page 80 "Chopping Progress - An assessment of Liberia's forestry sector and its impact on state-building" M An, H Apakan, S-A Foster, J Keller-Fish, and J Meisenheimer for CICR and UNDP (04 2013)

²¹³ http://www.leiti.org.lr/uploads/2/1/5/6/21569928/updated_companies_database.xlsx (accessed 23 08 2015)

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projecting future revenue (from legal production). A substantial percentage of the Forest Land is targeted for agricultural expansion or mining.²¹⁴

Norway has signed a memorandum of understanding with the FDA to support Liberia financially if, for example, Liberia places a moratorium on new logging concessions (including Community Forest Management Agreements [“CFMAs”] if these serve as fronts for logging companies) until all concessions have been reviewed. That review would seek to ensure that legal compliance and satisfactory procedures are in place.²¹⁵ If many of the concessions are cancelled, this would tend to considerably increase the cost (per cubic metre exported) of managing the chains of custody and legality verification elements of the legality assurance system (which are two of the largest components of the budget for the FLEGT Action Plan in Liberia²¹⁶).

The recent epidemic of Ebola set back delivery of the FLEGT Action Plan - including the efforts of the VPA Support Unit – and this will have implications for the budget.

The FAO is considering whether to commission research into chain-saw milling, which probably supplies a large proportion of the timber which enters end-use in Liberia and at least some of that which is exported overland into Ivory Coast. Liberia is said to supply substantial quantities of wood fuel (including charcoal) to neighbouring countries. Although no forest has yet been allocated for chain-saw milling, a regulation was approved in 2012.²¹⁷ The VPA requires that control and verification procedures for chain saw logging are in place within two years of signing the VPA.²¹⁸

The supply of timber for end-use in Liberia is to be fully addressed under the VPA only after the legality assurance system has been established for exports.²¹⁹

The drafting of relevant legal texts has tended to be weak. However, the currently planned external assistance is likely to help improve the quality of that legislation.

An impact monitoring framework for the VPA has yet to be established.²²⁰

An assessment has been made of the changes in the fiscal framework which would be needed if the sector is to “develop”.²²¹

A team of Independent Monitors has undertaken projects since 2013. That team was selected by the NGO Coalition, a grouping of civil society organisations. Through the NGO Coalition, major flaws in land rental fees and cubic metre payments have been exposed.

During 2012, subsequent to an assessment of transparency, a start was made to develop the FDA’s website so that it provides a platform for transparency.²²² However, this does not yet even include basic data such as that which used to be reported by the chain of custody contractor. Some data concerning logging concessions is provided on the LEITI website.²²³ Transparency is regarded as the bedrock for civil society’s contribution.²²⁴

²¹⁴ Page 9 “2013 Annual Review: Liberia Country Report” ITAD and Triple Line for DfID (04 2014)

²¹⁵ <https://www.regjeringen.no/en/aktuelt/Liberia-and-Norway-launch-climate-and-forest-partnership/id2001145/>

²¹⁶ Submission of the UK in response to the Questionnaire for the FLEGT Action Plan 2015

²¹⁷ Clause 34 “Second meeting of the Joint Implementation Committee” (06 2015)

²¹⁸ Section 5.1 “FLEGT Voluntary Partnership Agreement between Liberia and the European Union - VPA Briefing Note” (05 2011)

²¹⁹ Clause 19 “FLEGT Voluntary Partnership Agreement between Liberia and the European Union - VPA Briefing Note” (05 2011)

²²⁰ Clause 21 “Second meeting of the Joint Implementation Committee” (06 2015)

²²¹ <http://www.ltsi.co.uk/projects/liberia-analysis-of-the-fiscal-regime-for-forestry-in-liberia/>

²²² “Impact and Effectiveness of Transparency Initiatives: Global Witness Submission to the FLEGT Action Plan Evaluation” (07 2015)

²²³ <http://www.leiti.org.lr/leiti-reports.html> For example, the export value of logs exported from Liberia during FY2011/2013 was some US\$ 46 million.

²²⁴ “Benefits of the Voluntary Partnership Agreement –A Liberian civil society perspective” SAMFU, SESDev and SDI (07 2015)

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On EQ3 (effectiveness - cover Action Areas as applicable):

AA1 (*support to producer countries*)

Weakness in the capacity of the Forestry Development Authority (“FDA”) and changes in senior staff (in some cases in response to allegations of wrong doing) have hampered progress, as have problems concerning the retirement of staff. Lack of capacity is being addressed by the FLEGT Action Plan partly through extensive technical assistance. It is not yet clear whether this will need to be long term. There are no immediate plans to prepare the FDA to manage the large numbers of small scale and community concessions, including CFMAs which cover rights to manage Forest Lands having an area of 5,000 - 50,000 hectares. Support to help ensure that regulations better cover foreseeable realities (for example when a concession lapses) may soon be available. There is some overlap with two USAID projects²²⁵ and this is helping to optimise community development (including by highlighting that each CFMA allows a combination of land uses chosen by the community).

Leading civil society groups in Liberia have formally complimented the FLEGT Action Plan²²⁶ and have been particularly active in shaping its success.

AA2 (*trade in timber*)

Liberia mostly exports logs. Since 2009, the volumes being exported have fluctuated between 50,000m³ and 150,000m³ on an annual basis, the latter reflecting the surge in exports to China which followed the (typically illegal) allocation during 2011 of a large number of Private Use Permits²²⁷ (most of which have been cancelled). Almost all the volume currently being exported is destined for China. However, some might be milled in China to make products which are subsequently exported to the EU. Some attempts have presumably been made under the FLEGT Action Plan to engage China - in Liberia and/or through the Bilateral Co-ordination Mechanism - concerning logs from Liberia.

Although most log exports are supplied from companies holding large concessions, much of the volume exported is thought to be associated with a single enterprise.

Liberia’s exports of logs are currently likely to be illegal under one or more criteria – from the allocation of concessions, through having and implementing plans to manage the forest sustainably, to payment of relevant taxes. Further, communities have not yet benefitted as prescribed. However, payments by the government have recently been transferred to the National Benefit Sharing Trust for distribution, and communities are becoming informed about the potential long-term benefits which this revenue offers - and the risks of misallocation.

AA4 (*private sector initiatives*)

As indicated in section AA2 above, illegality risks constrain the potential of the FLEGT Action Plan to directly support or otherwise address the private sector under the VPA or the EUTR. However, an exposé²²⁸ has had a salutary effect in the EU. That exposé also demonstrates the potential risks from chain of custody systems, such as the one in Liberia, to mislead the market into perceiving that they are legality verification systems.

The framework for the legality assurance system is a major focus of the VPA. If put into effect, it would have an impact on the export-oriented private sector (- the component of the private sector which is represented in formal VPA discussions). However, stakeholders familiar with logging companies in Liberia mention that those companies do not feel central to those discussions. They

²²⁵ - namely the People, Rules and Organizations Supporting the Protection of Ecosystem Resources project and the Governance and Economic Management Support project “Forest Concessions – Commercial Forest Revenue Projection Model” for USAID (06 2013) Note: the volumes currently being exported from Liberia are considerably smaller than implied in Table 3 of that report.

²²⁶ “Benefits of the Voluntary Partnership Agreement –A Liberian civil society perspective” SAMFU, SESDev and SDI (07 2015)

²²⁷ Second paragraph page 6 “Chopping Progress - An assessment of Liberia’s forestry sector and its impact on state-building” M An, H Apakan, S-A Foster, J Keller-Fish, and J Meisenheimer for CICR and UNDP (04 2013)

²²⁸ <https://www.globalwitness.org/archive/wartime-timber-company-dlh-penalized-trading-illegal-liberian-private-use-permit-logs-0/>

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also mention that the private sector also considers (at least rhetorically) that the legality assurance system is not feasible, that the chain of custody system has many nodes which are susceptible to corruption, and that the VPA seeks to end industrial scale logging in Liberia. Although the Liberia Timber Association represents Liberian and foreign logging interests, some of its Liberian members would prefer not to compete against companies supported by foreign interests. Foreign companies' direct interest in logging in Liberia is confined to large concessions. However, foreign companies can operate as logging sub-contractors in smaller concessions reserved for Liberians. There has been little focus on small enterprises which supply timber for end-use in Liberia.

AA5 (finance and investment safeguards)

There does not seem to be significant investment or interest from the EU in entities which produce logs and/or export these from Liberia. However, one of the large concession holders is being financed by private European investors. Unlike in the palm oil and rubber sectors, private sources of capital tend to predominate. At least some logging concessions are thought to be associated by a conglomerate previously listed on the Hong Kong stock exchange.²²⁹ There has been at least short term interest from Ghana. Law enforcement is too weak to give confidence that safeguards are being respected. However, communities have a right of access to relevant information.²³⁰

On EQ4 (implementation management and coordination):

The Joint Implementation Committee oversees inputs to the VPA in Liberia. Progress remains dependent on sustained political will both towards the VPA and to governance and corruption.

Between 2011 and 2012, consultants carried out a study concerning the fiscal framework of forestry in Liberia at the request of Liberia's Ministry of Finance²³¹ and also helped Liberia to establish institutional structures for a legality assurance system and FLEGT-licensing.^{232, 233} A contract, funded by the UK, has been let to develop, operate and transfer the Liberia Verification Department (which includes the chain of custody system). Institutional difficulties in providing resources on time for some of this were overcome by interim (but somewhat autonomous) support from the EU FLEGT Facility – reflecting the degree of co-operation between those delivering the FLEGT Action Plan.

A VPA Support Unit (funded by the UK and the EU) has been established to provide strategic and capacity building assistance, and to help co-ordinate action. A service provider external to the UK government now provides management support to some aspects of the delivery of the UK's FGMC programme.

On EQ5 (achievement of objectives):

It is too soon to comment on the extent to which the FLEGT Action Plan in Liberia has achieved any of its primary objectives. The basis for establishing forest governance and law enforcement is still being developed and weaknesses have been exposed. However, the withdrawal of support by other donors (and increased support for rapid expansion of commercial agriculture) has tended to increase the relevance of the FLEGT Action Plan.

The surge in illegal allocation of Private Use Permits during 2011, the year in which the VPA was signed, indicates the need for the FLEGT Action Plan – the counterfactual would include rampant illegal logging for export.

²²⁹ <https://www.globalwitness.org/archive/credibility-liberian-forestry-reform-programme-point-collapse-warns-global-witness/>

²³⁰ First paragraph page 25 "Forest Governance and the Voluntary Partnership Agreement Deepening forest sector reform in Liberia" SK Siakor for SDI (07 2011)

²³¹ <http://www.itsi.co.uk/projects/liberia-1985-review-of-financial-systems-for-forestry-development-authority/>

²³² <http://www.itsi.co.uk/projects/liberia-supporting-the-implementation-of-flegt-voluntary-partnership-agreement-vpa/>

²³³ Designing such a system and related structures is handicapped by the possibility (mentioned under EQ1 above) that no legal timber is available under the current paradigm.

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In addition, there have been fundamental concerns about political interference in the sector (manifest for example in the cancellation of bid premia).²³⁴

There is also a need for greater support to forest communities. For example, assistance is needed by Community Forestry Development Committees when representing Affected Communities, including in relation to the negotiation of social agreements with concessionaires.²³⁵ Assistance would also help optimise communities' benefits from Community Forest Management Agreements ("CFMA"). CFMAs are granted by the FDA and ensure that communities have the legal right to manage the area covered by their CFMA, including for timber and non-forest products. More than 100 applications have been submitted for CFMAs, but only ten have been granted to date. However it is unclear how many of these are fronts for export-oriented logging enterprises who promoted Private Use Permits.

A significant group of Liberian civil society organisations has formally complimented the FLEGT Action Plan, particularly for its contribution to forest communities.

On EQ6 (Other, emergent outcomes):

Weakness in the de facto model of industrial scale export oriented logging is tending to favour a switch to community forestry. This would represent a new paradigm for the FLEGT Action Plan, albeit one whose foundation the FLEGT Action Plan has helped cement – through the promotion of multi-stakeholder engagement. Decentralisation has progressed more rapidly than might have been foreseen. The focus on communities and multi-stakeholder engagement (particularly through Community Forestry Development Committees) has contributed to that progress.

On EQ7 (contribution to higher objectives):

Procedures have yet to be developed for measuring the contribution to the higher objectives of the FLEGT Action Plan, notably sustainable development and poverty alleviation. However, without the FLEGT Action Plan, Liberia's forest would have been exploited much more extensively than now, causing greater conflict with forest communities and with minimal respect for the law and sustainability – but, if the chain of custody system (which pre-dates the VPA) continued, perhaps with greater contribution to national revenue.

The FLEGT Action Plan has consequently helped minimise a decline in forest communities' livelihoods. A mechanism for distributing revenue from logging and trade to the Affected Communities has been designed and a formula to determine their share has been agreed. A first (long outstanding) tranche of money is now available for distribution to those communities – once safeguards are in place and the communities have been well prepared. The FLEGT Action Plan has included work with women to build their capacity to participate in decision making structures.²³⁶

The FLEGT Action Plan is also helping to minimise the costs (particularly those attributable to conflict with communities) associated with the current mode of expansion of industrial scale commercial agriculture. In addition, particularly through its emphasis on deliberation (rather than consultation), it helps establish a basis for REDD+ (including the agreement with Norway).

On EQ8 (efficiency):

It is too soon to judge whether the FLEGT Action Plan in Liberia is an efficient use of EU resources. Much of the EU budget is devoted to helping to strengthen the capacity of the FDA, particularly in relation to legality verification and the chain of custody system, whose cost (with expatriate

²³⁴ Page 8 "2013 Annual Review: Liberia Country Report" ITAD and Triple Line for DfID (04 2014)

²³⁵ Pages 9-10 "2013 Annual Review: Liberia Country Report" ITAD and Triple Line for DfID (04 2014)

²³⁶ Page 7 "2013 Annual Review: Liberia Country Report" ITAD and Triple Line for DfID (04 2014)

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assistance) is likely to be high relative to current (and perhaps long term) government revenue from the export of illegal and legal logs. There are perceptions that legality verification is the focus of the VPA rather than sustainable forestry and social and political development. To date, none of the concessionaires for FMCs has a credible, mandatory 25-year plan for the sustainable management of their FMC.

It is not clear how much money the EU has allocated to the FLEGT Action Plan. More than three million UK pounds was allocated from the EU for the period prior to signing the VPA and a total of almost 18 million Euro (from the European Development Fund, the Environmental Regional Thematic Programme, and the UK government) was budgeted for the first seven years from the signature of the Financing Agreement for the VPA.²³⁷ Of that 18 million Euro, in excess of six million UK pounds has been budgeted for the Legality Verification Department and the VPA Support Unit.²³⁸ This is comparable to the arrears of tax payable by some concessionaires.²³⁹

The sequencing, logic and nature of reforms have necessarily tended to reflect assumptions about the future context in which they would apply, and the capacity of relevant entities to apply them. Particularly in relation to legislation, there has been a lack of consultation and some contradiction.²⁴⁰ However, the contribution of the VPA to that legislation is likely to be positive.

On EQ9 (sustainability):

As one would expect given Liberia's turbulent recent past and its subsequent efforts to promote export-oriented logging, the achievements of the FLEGT Action Plan in Liberia are not yet sustainable. Support will probably be needed for several more years, assuming that political will remains. However the nature of that support might need to change if the government of Liberia decides to adopt community forestry as the primary mode of forest management – although for this, a robust FDA (including chain of custody system, sustainable forest management practices and related legality verification system) would remain essential. The support would also need to be sufficiently flexible to respond to long-term changes in land-use and related rights, particularly in relation to encroachment by commercial agriculture.

On EQ10 (coherence and added value):

The interventions which seek to strengthen institutional capacity (including by integrating legality verification with the FDA's existing chain of custody system) are laudable. However, the widely alleged illegality of the current logging concessions tends to undermine the potential of the VPA, as does the continued influence of those associated with past malpractice. Nevertheless, the overriding perception is that it is reasonable to use the current small number of export-oriented supply chains to establish a prototype for a legality assurance system which will ultimately also cover supply chains which provide timber for end-use in Liberia.

The FLEGT Action Plan has helped establish civil society as a viable, constructive partner in supporting good governance and in minimising conflict with forest communities (and increasingly beyond, not only in other export-oriented sectors).

²³⁷ http://ec.europa.eu/europeaid/sites/devco/files/aap-financing-measure-liberia-af-20121221_en.pdf

²³⁸ Response of UK government to a questionnaire for this evaluation

²³⁹ Final paragraph page 23 "2013 Annual Review: Liberia Country Report" ITAD and Triple Line for DfID (04 2014)

It is small relative to the arrears in payments by concessionaires (which amounted to almost US\$ 44million as of August 2013 (if one includes the bid premium the concessionaires offered to pay) "Liberia's Forest Sector: A New Window of Opportunity" Global Witness (12 2013)

²⁴⁰ Final paragraph page 8 *et seq* "2013 Annual Review: Liberia Country Report" ITAD and Triple Line for DfID (04 2014)

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Main Conclusions and Recommendations

The FLEGT Action Plan is widely welcomed in Liberia. It has created an atmosphere of co-operation between stakeholders and, particularly through civil society, helps support forest communities and governance beyond the forest sector. It is providing much support to the Forestry Development Authority, particularly in helping to integrate legality verification concerning the small number of export-oriented concessions with a long established chain of custody system – as a prototype to be extended to cover supplies for end-use in Liberia. Importantly, it has yet to address the legality and sustainable management of those concessions and the logs which they supply, and assumes that government revenue from logging will exceed the FDA's costs. The allocation of logging revenues to forest communities has yet to commence, pending safeguards to help ensure the money will be used appropriately.

Recommendation 1:

The EC should emphasise the achievements of the FLEGT Action Plan more broadly than in relation to technical aspects of the VPA, but should also endeavour to ensure that 1) the chain of custody system and legality verification department within the FDA can provide the necessary service at a cost commensurate with the likely revenue attributable to the FDA from logging and related exports and 2) the legality assurance system ensures sustainable forest management.

Recommendation 2:

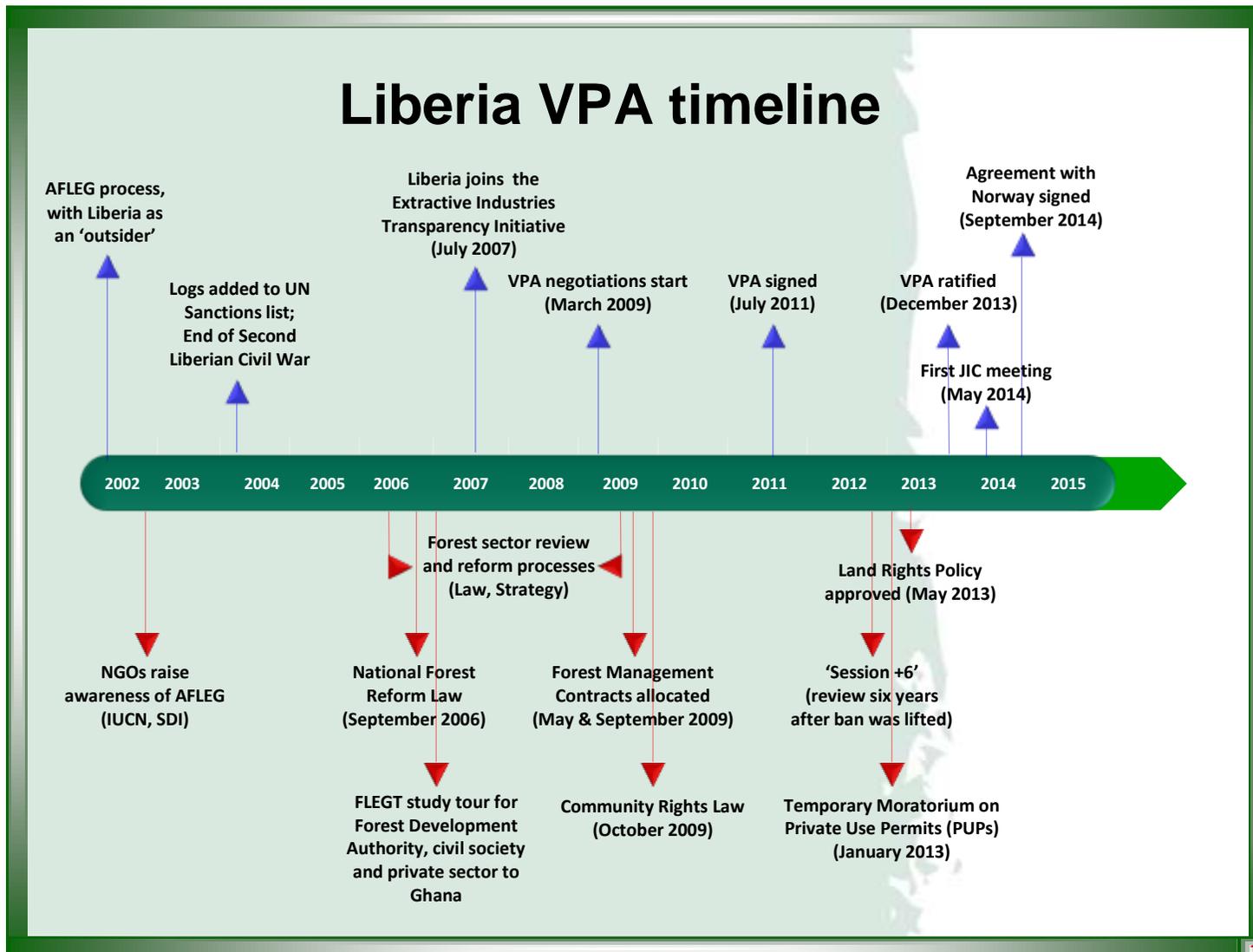
Greater emphasis should be placed on the sequencing of interventions under the FLEGT Action Plan, taking salient stakeholders' views and their capacity into account. For example, this would minimise any inconsistency between the evolving regulatory framework and new legislation.

Recommendation 3:

Perhaps through the Bilateral Co-ordination Mechanism, the EC should consider offering (together with Norway) to support Liberia in requesting China to not import logs from Liberia if those logs derive from concessions which are not operating legally (explicitly stating why they are not currently legal).

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Annex 1 FLEGT Timeline for Liberia



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1. *Situation of the country with regard to FLEGT action:*

a) FLEGT History

Vietnam and EU started to negotiate on the VPA in November 2010. During the mission, the evaluation team received various rationales for embarking on the negotiation process. The bigger producing companies exporting to Europe saw the VPA and the FLEGT licence scheme as a major tool to compete with other countries that had already signed a VPA (such as Indonesia) and to maintain their access to the EU market. The processing industry (VIFORES first) lobbied hard with the Vietnamese Government to initiate the negotiation process. At the same time the Vietnam Forest Administration (VNFOREST) under the Ministry of Agriculture and Rural Development (MARD) saw the process as a way to improve the country's reputation. Governance enhancement was also mentioned to be one of the raisons for engaging into the VPA. However, while improved governance seems to be one of the main expectations of the civil society, it does not appear to be the top reason for the administration and the major producing companies.

Since the beginning of the negotiation process, nine Joint Expert Meetings (JEM) have taken place, numerous video conferences have been held between the two parties, and regular Technical Working Groups targeted some of the main VPA topics such as the legality definition, the TLAS design and communication. In spite of multiple bilateral discussions and exchanges with the FLEGT Facility, no agreement had been reached at the time of the Evaluation mission (May 2015). Nevertheless the two parties seem to be confident that they can agree by the end of 2015. Nevertheless the two parties seem to be confident that they can agree by the end of 2015 although both sides see this is a very ambitious deadline.

b) Main stakeholders

The negotiation phase has been led by VNFOREST (MARD), with strong involvement of the Ministry of Industry and Trade and Ministry of Finance (General Department of Customs). The Vietnam government inter-agency Working Groups on Legality Definition and TLAS were established in September 2011 in order to elaborate the specific VPA annexes. However, as the lead administration for negotiations on the Vietnam side, VNFOREST has created limited space for non-state actors' engagement in the design of VPA annexes. Nevertheless 3 members of Legality Definition and TLAS working groups come from Viet Nam Timber and Forest Products Association; WWF-Viet Nam and CH8- Viet Nam NGO. Having a trade focus/interest, the engagement of these non-state actors within the working groups might reflect the interests of private sector more than civil society. During preparation of VPA annexes, VNFOREST organizes the consultations with relevant stakeholders,

The Vietnam Timber and Forest Products Association (VIFORES), the main national industry association) is the only external member to be directly involved in the negotiation representing a large range of private sector actors from the biggest FSC-certified companies to Small and Medium Enterprises. VIFORES and the private sector as a whole have had a very strong influence on the negotiation process. Beside VIFORES, some company associations have had also some activities in the VPA process such as the Forest products of Binh Dinh Association (FPA) and Handicraft and Wood Industry Association of Ho Chi Minh city (HAWA), two leading private sector associations in Vietnam which have been implementing series of practical training programs toward their members, in priority SMEs.

Civil Society is not officially represented on the Vietnamese negotiating team. However many national NGOs have had the opportunity to participate in commenting several annexes that had been elaborated by the formal Working Groups. These NGOs have also been allocated funds to conduct activities, as described in EQ3, AA1. A national network of around 40NGOs has been established in 2013 (VNGO FLEGT network). Major players in the VNGO network include the Centre for Sustainable Rural Development (SRD), the Centre for Education and Development (CED),

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Consultative & Research Center on Natural Resources Management (CORENARM), Sustainable Forest Management (SFM), and PanNature. These organisations are supported by ICCO Cooperation and WWF Vietnam and received funding from the EC Thematic Programme on Sustainable Natural Resources, including Energy (ENRTP), providing support to non-profit organisations/non-state actors, through Call for Proposals mechanism.

At the local level, however, involvement has been much lower: one million households that hold small plantations and are feeding primarily the national industries primarily those exporting woodchips, are not represented adequately. Some local administrations (Provincial and District Forest Protection Department) have been consulted and trained in general terms but are poorly aware of the on-going process.

The international community is represented by the DG ENV (Brussels), European Forest Institute (EFI) EUD, who participates actively in the Joint Expert Meeting and Working Groups, and by Finland and Germany - GIZ (see EQ3 – AA1).

- c) Special issues
 - **Timber import**

The VN timber industry is dependent on imported timber (at least 26 different significant source countries in 2012, volume of imported timber was 3.5-4 Mil m³ representing 40-50% of the raw material for the timber processing and exporting industry including re-export to third country). Some of the main source countries present specific risks in terms of unverified/illegal timber production (e.g. Lao, Cambodia and China)²⁴¹. In the context of the negotiations, the EU has made clear to Vietnam that an adequate verification of legal origin of imported timber is essential to build a credible TLAS. Vietnam has to date suggested mechanisms to support the assurance of legality of origin, and an additional verifier for imported timber was agreed²⁴². However in 2014, as a first move, Vietnam banned timber imports and re-exports from Laos and Cambodia if they are not processed in Vietnam (transit timber). However, that does not take care of the risk of imports of illegal timber. Cross border timber remains an issue raised by several studies and there are concerns about the huge gap between what is being discussed under the FLEGT VPA (Trade issues in general) and what is happening on the ground (FLEGT week, 2015). The discussion on imported timber is supposed to resume during the next Joint Expert Meeting (JEM) that will take place in Q4 2015, based on technical documents developed with the support of EFI.

- **Multi Stakeholder engagement**

Most of the efforts in this domain have so far concentrated on requests for submission of written comments on the Legality Definition and partial TLAS and limited and formal consultation exercises (workshops²⁴³) of stakeholders outside the national authorities: CSOs, local administrations, and SMEs. The past few months have seen a more active participation of civil society and private sector representatives in the finalisation of a few annexes. Although not formally engaged in the negotiations, some comments made by the VNGO network have been taken seriously into account and texts have been adapted accordingly; or at least more than in the early years of the process. However, the credibility of the Agreement will be at risk if Vietnam cannot demonstrate it has engaged and reached consensus on the content of the VPA in a meaningful manner with all non-state actors including.

- **Contribution by EUTR and by VPA to combatting illegal logging/ trade**

²⁴¹ Saunders, J. – Trade in Illegal Timber The Response in Vietnam – A chatham house assessment - 2014

²⁴² The last TWG4 resulted in the parties agreeing to include additional verifier for imported timber

²⁴³ According to VNFOREST two national workshops and 6 technical workshops and several formal and informal meetings on VPA content have been organized since negotiation started. All relevant stakeholders and media were invited for such workshops and meetings

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The motivation to embark on VPA negotiations varied, depending on the type of stakeholders: VN FOREST was seeing the VPA as a means to improve the country reputation, maintain and develop their European markets and to some extent ; the bigger processing companies were seeing the VPA as a tool to maintain and develop their European markets; and the national CSOs saw it as a way to protect the forest and improve forest governance. Now that, after more than four years, the VPA still has not been signed, the disappointment is growing and the concern has been raised that the VPA and FLEGT licences might not be the most effective tool to combat illegal logging and to secure access to the EU markets. VPA and EUTR requirements are also being compared and each stakeholder is questioning which one is the proper tool to address its own interest without contemplating much their complementarity.

This uncertainty on whether the EUTR and VPA can respond to the different expectations and motivations is the major issue that was raised during the country visit.

- **Small and medium enterprises**

Small Enterprises (with only a few employees) are at the bottom of the whole Vietnamese chain of custody. They supply many bigger companies that may be CoC certified. However, the SMEs might have huge difficulties to comply with the EUTR or the VPA requirements especially with regard to labour conditions (employment contracts, safety conditions...). These labour conditions specified in the Legality Definition are drawn from the existing legal framework and so are firstly obligations specified by the state but were not formally implemented and controlled in small enterprises, and to a lesser extent in medium enterprises. Therefore, many small enterprises and households are no longer able to sell their product to bigger enterprises since they cannot provide their clients with the relevant information. It might be even more complicated with the VPA in function, as these small enterprises will need times to adapt themselves to rules that have not been enforced before. As a consequence, bigger companies would have to explore less demanding markets that do not always require legality evidence.

- **Natural forests versus plantations timber supply**

Large areas of Vietnam's forests were degraded, deforested, or defoliated following the conflicts of the mid-20th century. As a result, Vietnam embarked on a national afforestation program in 1987. Its efforts increased the forest cover to approximately 39.7% in 2011. However, while the country's total forest area has increased over the past twenty years, most of this growth is in the form of plantation development. The volume of timber from natural forests is relatively low and has been decreasing since early 1990s (EFI, Baseline study N°3, 2011). The bulk of timber supplies within the country is being extracted from the plantations where legality and traceability is likely to be less of an issue than in natural forests. FLEGT and VPA requirements are primarily addressing illegal logging in natural forests in most of the countries that signed a VPA and VNForest is wondering why Vietnam should have to apply the same scheme as the one implemented in countries with a timber industry mainly based on natural forest logging.²⁴⁴ According to VNFOREST the state controls strictly timber from natural forest while there is much less controls on timber coming from plantation since the national policy encourage afforestation activities. As both EUTR and VPA are not making this difference VNFOREST is concerned by the fact that it might impact negatively the millions of household who are actively involved in afforestation for more than 20 years.

2. Key Findings

On EQ1 (relevance):

²⁴⁴ The FLEGT Action Plan refers to illegal exploitation of natural resources – it's not specific to natural forests

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- In spite of high export turnover and high annually average growth, the EU ranks the 4th among the largest export markets of Viet Nam's timber and timber products. The percentage of EU timber export represents less than 15% of total timber export (VIFORES personal communication). The proportion of export value to EU has been decreasing steadily from 37.7% in 2000 (Tropenbos and VI Forest, 2011). Explanations include the international crisis, the shift in product markets (less outdoor furniture), the increase of the Chinese and other markets (We did not say like that). With such a reduction of the share of EU market (but stagnation in trade figure) some stakeholders wonder if the VPA process is still relevant while the EUTR is already implemented. Other stakeholders argue that the interest of exporters might be growing for markets, such as China, which are less troublesome - even if less stable - than the EU. (See below, Vietnam's high dependence on the Chinese market could lead to instability resulting from price fluctuations or changes in demand).
- One baseline study has been carried out with the support of EFI: "Overview of forest governance and trade" in 2011. However, this document does not provide detailed figures on the magnitude of illegal versus legal logging, and its main drivers. Various contrasting figures exist and Forest Trends is now working closely with several administrations including Customs to elaborate a more precise picture. This information is of prior importance to appreciate the relevance of FLEGT to combat illegal logging in Viet Nam and to understand the drivers for illegal logging as well.
- Vietnam's wood chip industry has been growing over the last decade, with export volumes increasing from 400,000 tons in 2001 to 6.2 million tons in 2012. In 2013, it was representing 16.2 million m³ RWE processed from domestic timber (Forest Trends, Vietnam's Wood Chip Industry - 2013). The wood chips market is mainly driven by China's demand, and by Japan and Korea.
- There is also a large share of exporters and furniture companies that have direct contacts with the bigger importing companies in Europe such as Carrefour or Ikea, and are already complying with their internal supply rules which should be sufficient to comply with EUTR requirements. This reduces the felt need/urgency for a VPA agreement.
- In such a changing context there are hesitations to move on with the VPA process.

On EQ2 (design):

- The design of the FLEGT Action Plan is not very well understood by VN FOREST and VIFORES. This lack of understanding is being fed by the fact that no FLEGT licences have been issued yet. There are strong doubts about the VPA process and the requirements that – in the view of several stakeholders – seem to be too standardized, without taking into account the specificities of the country. For example, in Viet Nam the majority of local timber is harvested in plantations, so the government and the industry wonder why the country should apply a system²⁴⁵ that has been mainly designed for countries with large natural forest areas. On the other hand the EU considered Vietnam as the first producing/processing entering the VPA negotiation with. During the negotiation, the EU side in several occasion stated that there was no blue print for VPA negotiation as it would depend on the country context. Since Vietnam side would like to learn from other countries on how to start, Malaysia and Indonesia were suggested as reference. There seems to be a need for a relevant and adapted roadmap. A stepwise approach is being proposed informally (not through the negotiation process) by VN Forest who would like to consider first the

²⁴⁵ EFI comments that aside from verification and licensing, the system being discussed is largely based on VN's existing requirements – a question that the VPA process helps to pose for national discussion is, are these requirements adequate for assuring legality both in terms of what is specified and how they are implemented and enforced

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implementation of a national TLAS and then the issuance of FLEGT licences for companies that are exporting to EU.

- The EUTR was launched before any VPA was signed and any FLEGT license was issued. This, combined with a lack of proper implementation and enforcement of the EUTR, has not helped the negotiation process as it appeared that most of the big companies exporting to Europe were able to continue exporting and to fulfil their obligations.
- EUTR and VPA requirements are not fully matching each other. The EUTR is essentially a technical scheme, while the VPA/TLAS is more than technical as it implies several types of controls and checks, and puts more burden on the administration and on private companies. EUTR requirements (traceability, due diligence) are considered to be more simple than the VPA ones (Legality definition, participation of stakeholders, TLAS, Licence scheme, Independent Auditor, i.a.).
- The licencing scheme put more burdens on the administration on top of the TLAS. VNFOREST stated that the FLEGT license under VPA is going against the trend of trade liberalization of the WTO. Instead of setting FLEGT license, VNFOREST would like to negotiate with the EU to support the country to establish the national TLAS that that comply with national regulation. Licenses are an EU requirement and VN Forest wonders why Vietnam would have to provide these licenses to prove that its TLAS system works.
- The industry representatives (VIFOREST) met during the mission states that the licensing scheme based on licenses per container is not viable. In Vietnam 3000 containers will be shipped to the EU each month, which means 3000 licenses/month. No entity in Viet Nam will be able to perform such a major licensing task and they propose that licenses should be issued operator-based instead of shipment-based. Even if this interpretation of the FLEGT Action Plan might not be fully correct (FLEGT licenses are issued for shipments not for containers and several containers could be included in one shipment), this concern seems justified and warrants to be considered and adjusted, if need be. EFI comments that this issue had not been discussed during the negotiations. What is being discussed is a license per consignment which could include multiple containers. In one of the draft glossary annex of the VPA (discussed by Vietnam and the EU in 2012), it is stated that *“VN and EU in 2012, states that “In the context of the VPA, consignments of timber and timber products can include several containers.”*

On EQ3 (effectiveness -cover Action Areas as applicable):

AA1(support to producer countries)

- Finland is providing funding for the facilitator (through the EU FLEGT Facility) and participates actively as observer in the Joint Expert Meeting and Working Groups. Germany (GIZ) has been supporting a wide range of activities: TLAS, training of trainers for verification, revision of the legal framework (some improvement with regard to adequate legislation and regulations have been made to prevent illegally sourced timber from being imported or sold - a number of additional pieces of legislation have been enacted to tackle the import of illegal wood), support to timber product enterprises to comply with VPA requirements, cross boundaries collaboration, analysis of the supply chain to respond basic questions, such as: what timber are we talking about exactly, where does the timber come from and for what purpose, who is producing what and following what regulations.
- All stakeholders agree that transparency has improved a lot with a stronger involvement of NGOs. Nevertheless, producing households and the real SMEs have not received much attention yet, while they are the ones that will be likely most affected by the EUTR and the VPA process. Also, local governments and local communities have not been engaged in the process much although they are the one who will be important implementing entities on the ground.

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- There is a strong feeling that support is mainly targeting NGOs and CS and not much to authorities and especially nothing to provincial and local authorities (see earlier point). It must be noticed that there is no availability funding to support government foreseen under the existing bilateral cooperation. The EU funding is grant, therefore, cannot support private sector directly. The EUD can only mobilize the funding from the Thematic Programme (ENRTP) to support NGO and CS with the aim to encourage the participation of civil society organizations and private sector (via NGO managed project) in the FLEGT process in Vietnam and to strengthen their capacity to do so)
- Some efforts are going on to build awareness among small enterprises²⁴⁶ but integration of the domestic market in the VPA is still under discussion. Moreover, it is unclear how these initiatives (in support of Small Enterprise) are working together and how and to what extent the topics can be fully addressed as there is no VPA yet, and therefore no agreement on TLAS as yet.
- There has been substantial misunderstanding during the negotiation phase, between the EU and Vietnam, with a range of different EFI and EC staff frequenting Viet Nam. This misunderstanding that was mentioned several times to the consultants might not reflect well the investment of time and resources from EC, EFI, FAO and GIZ in supporting discussion and elaboration of the TLAS together with VNFOREST. Nevertheless, it must be acknowledged that this feeling does not facilitate the building of a relationship and more notably trust, two important ingredients in doing business in Viet Nam. The TLAS development is an issue that has been cause for confusion, the Vietnam party having the feeling that its control and verification system was robust enough to respond to the EFI/EC requirement.

AA2 (trade in timber) EUTR vs VPA

- Authorities and big companies showed a lot of interest in the beginning of the process (better access to the market, better reputation) but this interest has been decreasing since it appears that no FLEGT licenses are being issued. The authorities and companies also realize that FLEGT licenses might increase the burden on the administration and the companies.
- Moreover, trade with EU has been going down and Private sector representative estimate that traders are looking and finding other markets with less strict requirements. Authorities consider the EUTR and the VPA/ FLEGT licenses both as barriers for trade and encourage the EU to consider more innovative and balanced approaches.
- The EUTR has increased, as indicated by some exporting companies, the price of sourced timber by 20% and caused a 2-3% increase in cost general turn over. The increase of the buying price on the domestic market can be attributed to the requirements of the EUTR. However this information is difficult to cross check.
- The impact of EUTR on SMEs is rather low as most of their products can be exported to markets outside of EU without being obliged to provide any kind of legal evidence. Domestic plantations of acacia and eucalyptus are supplying wood chip factories that are exporting to China.
- There is contradictory analysis of the situation between and within the various stakeholders. Some state that they do not need the EUTR but need a VPA since the VPA 'protects' and

²⁴⁶Project on Increasing capacity of CSOs and SMEs to implement FLEGT requirements (EU Delegation), implemented by NEPCON and SFM
Project on Capacity building of business associations and media to engage in FLEGT to provide information on FLEGT and related issues (FAO FLEGT) implemented by CED

Project on Promoting the participation of the Central Vietnam VNGO-FLEGT Network in the FLEGT-VPA processes (EU Delegation) implemented by ICCO, CRD and CORENARM

Project on Common Access to VPA Process in Laos and Vietnam implemented by WWF and PanNature

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ensures more sustainable forest management. Others think that the EUTR is enough to ensure the legality of the export timber. These contradictory views are symptomatic of the lack of understanding of how the two systems are expected to work together

- A phased approach for the licencing scheme is being : discussed in the negotiation process but remains unclear: Vietnam would develop a TLAS for all Timber and afterwards a Licence scheme for Timber exported to Europe. This is the position of VN Forest which considers that the TLAS is unique and thus, does not need to be phased. Another phased approach could be to focus first on the export market and then on the Domestic Market at a later stage. The issue of phasing the VPA in Vietnam is very sensitive and requires both parties' full attention.

AA3 Public Procurement

- This area of the FLEGT Action Plan has been designed for the EU and its MS and was not foreseen as an issue for producer countries. However, the importance of the domestic market might require some thinking from Vietnam as well on public procurement.. Establishing a domestic public procurement policy could help creating incentives for the use of verified legal timber products.

AA4 Private sector initiatives

- Bigger companies exporting to the EU have been pushing to have VN engaged in the VPA process. VIFORES has a seat in the negotiation and are considered by other stakeholders to have a 'supervoice'. However, their concern is more about maintaining and developing the EU export than combating illegal logging.
- Few companies are SFM certified but many more are CoC certified and need to get certified supply from external sources (either controlled wood or FSC) if they want to sell certified products to the EU. To do so these external sources must comply with control timber standards which increase the pressure on SME that must provide legal evidences of their activities. Some of them have declined to do so and would prefer to sell their timber to less demanding customers.
- In spite of several projects to support SMEs (Nepcon, ICCO, WWF...) and build awareness, there is still very little interest from their side to respond to the demands of their customers in terms of providing adequate documented evidence of legality.
- Many have received land use certificates with clear rights and duty to the land and forests, but not all. In many areas, land boundaries on the ground are not clearly demarcated, or the boundaries on land use noted on the certificates do not match with actual boundaries on the ground. For VNFOREST if this does not end in a conflict, that is not an issue. Nethertheless, these are sources of many land conflicts between Forest enterprises and households. However, VN Forest estimates that Households should be able to comply easily with the TLAS if proper capacity building were provided.
- In general Industry associations were not very proactive in applying for support. On the other hand some PS have been actively supported by WWF, TRAFFIC, GIZ Forest Programme (Processing Trade and Marketing component) and TFT's FLEGT related initiatives for several years.

AA5 Finance and investment safeguards

- The Vietnamese government owns forest companies, so called State Owned Companies (SOC). Two of these companies, SFM FSC certified, manage primarily natural forests and are allowed to harvest timber from the area for production purposes. The information that was

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collected indicates that the existing legal framework establishes the rules regarding environmental and social aspects that these companies should respect. Some concerns have been expressed by several stakeholders on the real implementation of these rules.

AA6 International Legislative Instruments

- Within the framework of the Financial Action Task Force (FATF) to combat money laundering, Vietnam is going to develop and implement an effective anti-money laundering/counter-terrorist financing (AML/CFT) programme and conduct a risk assessment. Illegal logging could be one of the risk areas under the environment component.

On EQ4 (implementation management and coordination):

- In Vietnam the negotiation process is very centralized at the government level. MARD/VN Forest is coordinating with MOIT and MOF/Customs, leaving limited (but growing) space for other stakeholders as in other VPA countries.
- Consultations of the Private sector (bigger companies) and to a certain extent of NGOs are carried out. Until 2014, the consultation was not very transparent as it was unclear what inputs from the Civil Society were taken into account although they participated in most of the workshops on VPAs. In 2014 VN Forest elaborated a report to indicate what inputs were included in the annexes. The level of transparency has been increasing.
- Some provincial authorities (mostly FPD) have been included in brainstorming workshop on TLAS in 2012, consultations on TLAS in 2013-14. However there is a sense that these Local authorities (provincial and district) are not always listened to nor are the SMEs, households and forest-based Communities. The need for better and more comprehensive information is needed. However, as long as the VPA is not signed and annexes are negotiated it is still unclear what the local stakeholders could be trained on.
- Negotiations have been going back and forth during the last four years. It seems that Vietnam embarked on a VPA without really realising what it was, what was needed, and what consequences were to be expected. Generally speaking there is a need for better explanations on what the implications are when a country wants to engage in a VPA. This has to be done before the negotiation starts. In Vietnam, it is still unclear when, and even if, a VPA will be signed. Negotiations are going on, but confidence and trust between the parties seem to be issues that require due attention.

On EQ5 (achievement of objectives):

▪ Illegal logging:

A 2014 Chatham House report²⁴⁷ indicates that the proportion of high-risk wood-based imports is estimated to have declined: from 21 per cent in 2000 to 18 per cent in 2013 however in absolute numbers high risk timber import has increased from 0.5 to 2.3 millions of m³ as have all timber imports due to the growth of the country's timber industry as a whole. However, there is no specific information on internal illegal logging. It is therefore complicated to understand what changes occur without reliable data and strong baseline. Some figures on import/export/ supply chains have been provided by the baseline on trade prepared with the support of EFI but this needs deeper analysis especially to better understand the streams driving the Chain of Custody. GIZ is making some efforts in this direction and Forest trends is working on data on exports/imports, and on future of domestic markets and China trade.

▪ Trade:

²⁴⁷Chatham House, Trade in Illegal Timber The Response in Vietnam, December 2014

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The 2014 Chatham House study seems to indicate a decrease of timber trade to sensitive markets including the EU. However it remains unclear how FLEGT/ VPA/ EUTR contributed.

According to the same study based on discrepancies in trade data, timber import/export frauds seem to continue, however at a lower level than in the early years 2000.

No information is available on the impact of either the memorandum of understanding with Lao PDR on the trade in illegal timber (signed in 2008) or that with Cambodia.

However a recent report prepared by Forest Trends (Singh, 2013) shows an increase of illegal trade of Rosewood from Cambodia into Laos, with most of this timber ending up in China presumably via Viet Nam, though the report does not comment on this. The possible role of Viet Nam in illegal timber trade in the region as a processing hub as well as Viet Nam negotiations might have an impact, although not easy to assess, on other VPA processes in the region (Lao, Cambodia or Thailand).

▪ **Forest Governance:**

Some changes have taken place since Vietnam engaged in FLEGT, which are being recognized by the partners:

- A review of the legal framework during the last three years, that aims at preventing the import and sale of illegally sourced timber. Several circulars have been enacted²⁴⁸;
- Increased transparency and participation of the civil society ;
- Multi stakeholder and ministries participation in the process. However, the implementation of the legal framework is not as clear and the Civil Society is missing more information on policy enforcement.

On EQ6 (Unexpected outcomes):

- In a very centralized country the importance of the multi-stakeholder process is unprecedented, and has given a big boost to national level NGOs. These NGOs are now working together and structure themselves in a consistent network that is expanding to the province level.
- There is also an improved collaboration of NGOs with the local administration. The Local administration benefits from the projects that are implemented by the NGOs with the support of the donors. There is a general feeling that local administrations are, in some regards, better informed through this channel than through the official centralized one.
- The long negotiation process is also unprecedented and raises questions about the adequacy of the VPA framework in a country that has based the timber sector on plantation development and not on natural forests management. Managing plantations and tracing timber harvested in these areas is, in theory²⁴⁹, easier than in natural forest concessions that have to comply with complex management rules to ensure the natural sustainability of the resource (inventories, long term planning, specific logging rules,...)

²⁴⁸ Circular No. 01/2012/TT-BNN of 4 January 2012, which, issued by MARD, sets out the requirement for legal forest-product documents and forest-product source inspections;

Circular No. 42/2012/TT-BNNPTNT of 1 August 2012, which, issued by MARD, amends and supplements some articles of Circular No. 01/2012/TT-BNN of 4 January 2012;

Decree No. 157/2013/ND-CP of 11 November 2013, which revises Decree No. 99/2009/ND-CP of 2 November 2009 and regulates administrative penalties in forest management and protection

²⁴⁹ In Vietnam the situation is practically more complex as timber from smallholder plantations is typically mixed at several points before reaching a processing unit; whereas timber from natural forests passes through specific control points, where it is marked and/or checked, before reaching a processing unit

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On EQ7 (contribution to higher objectives):

- Poverty reduction:

It is still unclear as the VPA is under negotiation. However, a recent Livelihood Impact Assessment (carried out by VNGO FLEGT network and funded by EC via ENRTP projects) has analysed the likely impacts of the VPA on vulnerable stakeholders (households, small enterprises), identifying key social safeguard issues and responses, exploring opportunities for enhancing livelihood outcomes and identifying implementation risks and risk reduction and mitigation measures reference. This provides a baseline useful if a VPA is signed, but also reveals that the VPA could result in a range of positive and negative impacts.

For many households and small enterprises there might be a high compliance rate in obtaining the required legal documentation (Land or Forest Use Right certificates, business licenses, and tax compliance); however, the majority of households will not be able to meet requirements on several other pieces of documentation (trading invoices, packing list of timber, labour safety and hygiene..). This could have a huge impact on the activities of these people and thus on their livelihoods. At the same time not considering these requirements could also have an adverse effect for those working in household scale operations. Sustainable

- Forest Management:

Most of the natural forests are under protection or are being sustainably managed. Forest companies are in charge of managing natural production forests. The sustainable management and development of forest resources were identified as one fundamental objective in the National Forest Development Strategy 2006-2020. To achieve this objective, models of sustainable forest management have been piloted in some provinces. To date, however, certified forest areas, while on the increase, remain relatively small (46 000 ha certified in 2012, 155 689 ha in 2015²⁵⁰). The FLEGT Action Plan seems to have had very little or no effect on the implementation of this strategy²⁵¹.

Moreover, most of the timber used in Vietnam is being harvested in plantations where sustainable management is not an issue. Some activities are being carried out with communities (PANATURE) to improve their capacities to comply with Sustainable Management and timber harvesting in terms of minimum diameters.

On EQ8 (efficiency):

It is difficult to assess the efficiency of the FLEGT Action Plan at this stage, while the country is still negotiating. However, after 4.5 years of negotiations, efficiency might not be very high if no VPA can be signed. On the other hand what has been achieved so far is already remarkable: . illegal timber is now a topic of open discussion, discussions on legal sourcing are now routine within industry associations, VNFOREST has an understanding of the industry beyond the forest gate and how it functions, dialogue on timber trade with neighbours is strengthening, there's a growing understanding of risk based approaches within industry and government, role and reputation of CSOs greatly enhanced etc.

Furthermore, several projects are supporting the same kind of activities building local communities and SMEs awareness about VPAs in different regions of the countries and it is unclear to what extent these initiatives are really coordinating with each other even if there is closed coordination among the EC funded projects under the ENRTP, via the VNGO FLEGT network. Projects share their plan of activities and sometime have join action/research study).

²⁵⁰Source: <http://info.fsc.org>, updated July 2015

²⁵¹ During the 4 year FLEGT/VPA negotiation, several forest regulations/policies were reviewed and amended. The VPA process might have contributed to these changes but it is unclear to what extent.

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On EQ9 (sustainability):

As the VPA has not been signed yet, it is difficult to assess the sustainability of the process. However, the Civil Society is pushing for having a VPA signed and expects to be part of the Joint Implementation Committee. If that happens, it would be unprecedented in the country and could be considered an important and long-lasting step forward.

On EQ10 (coherence and added value):

- In June 2012 the EU and Vietnam launched negotiations for a Free Trade Agreements. The Negotiations are still going on but it is unclear if Timber will be part of the scope. The link between the FTA negotiation and the FLEGT VPA could not be clarified.
- Linkages between REDD and FLEGT seem to be rather low for the stakeholders except on governance monitoring and exchanges of information.

Main Conclusions and Recommendations

Conclusion: The Vietnamese forest and timber sector has some very specific characteristics: strong processing sector, provision of timber from plantations, many local actors depending on timber (SMEs, Households...), and important timber import market, a centralised political system, inter alia. In the view of stakeholders, these specificities should be taken more into consideration by the Vietnamese VPA process.

Recommendation 1:

The VPA process should be flexible, tailor-made and adapted to the specific context of the country, in particular if plantations are the main source of timber. The stepwise approach proposed by VN Forest deserves deeper analysis.

Conclusion: In the early stages of the negotiation, there was a lack of understanding of what Vietnam was really embarking upon. At the same time, there was a lack of information on the existing timber sector, in spite of the analysis made by Forest Trends as well as other organisations. VNFOREST: as the state management organisation has also its own source of information on timber production and industry that might differ from other sources. There is a need also to merge these various sources.

Recommendation 2:

Before embarking on the negotiation, efforts should be made to better communicate on the VPA, the process to reach the agreement and the consequences of the implementation of the VPA. There is a clear need for an enhanced understanding of the VPA process by all stakeholders including the important changes and long term involvement it would necessitate from all stakeholders.

Prior to the negotiation, there is a need for a comprehensive baseline of the forest sector and a solid problem analysis of illegal logging and its related trade: what is the level of illegal logging? How do the actors comply with the existing legal framework? How is this legal framework enforced? What are the characteristics of the Domestic Market²⁵²?

During negotiation a long term technical assistance beside punctual support from GIZ and FAO FLEGT Programme could have been complementary to EFI facilitation support and address very technical issues such as the TLAS which has been a regular sticking point. A long term presence on these sensitive issues could have helped building confidence.

²⁵² EFI supported a study on the timber flow including domestic market before negotiation. This provides a partial but useful information on the sector

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Conclusion: Support to stakeholders is unbalanced, focusing much on the Civil Society and to a lesser extent on SMEs (there has been support for SMEs prior to and during the negotiation through projects and activities of GIZ, SNV, TRAFFIC, TFT, WWF). However, part of the private sector who are not always fully aware of FLEGT and EUTR (bigger companies), central and local administrations and very small producers (households...) are left out.

Recommendation 3:

Support should be more balanced between the various stakeholders especially at the local level: households have to be informed of the legal documentation they must obtain and be able to provide to their customers regarding land titles and land delimitation in order to comply with EUTR; SMEs should better understand the whole FLEGT framework they will be part of and the consequences in terms of social and environmental adaptation; local administration must understand their role in the negotiated VPA and TLAS. There is a need for a better coordination of the activities carried out to avoid overlapping and ensure a country wide impact.

Conclusion

There is some misunderstanding of the role of a VPA versus the EUTR. The VPA process implies a deep revision of the existing system and establishes strict rules and high standards that have – in some cases - still to be elaborated (e.g. revision of the legal framework). On the other hand, the EUTR is less demanding, leaving the liberty to each MS authorities to develop its own standards, or to the importing companies to implement their own Due Diligence. The linkages and complementarity between VPA and EUTR appear to be fuzzy, in the view of many.

Recommendation 4:

There is a need to provide the VPA country with one single set of guidelines that clearly link the achievements of the VPA with the requirements of the EUTR.

Conclusion:

In Vietnam the timber economy is of primary importance. Therefore the focus on Trade and on FLEGT licencing is putting high political and financial pressure on the various actors, on the whole system to assess its robustness and on the development of technical components (TLAS), leading to disagreements and mistrust between the 2 parties, Vietnam estimating that the existing system is sufficient while EU is requesting more guaranties. Meanwhile, timber exports to EU seem to be rather low and do not represent a major issue, as EUTR already provides already a concrete and robust framework that most exporting companies can comply with. Consequently, trade does not seem to be the most important factor that should drive the negotiation.

Recommendation 5:

Negotiation should not aim too much at reaching a Licencing scheme (The T of FLEGT) for which there is no existing implemented framework yet. Instead, Vietnam is facing many challenges, such as the inclusion of Households and SMEs, increased participation of Civil Society, revision and enforcement of an efficient legal framework, illegal imports. These are some of the major topics the negotiation should primarily deal with (the L and G of FLEGT) if forest governance is to be improved in a sustainable manner

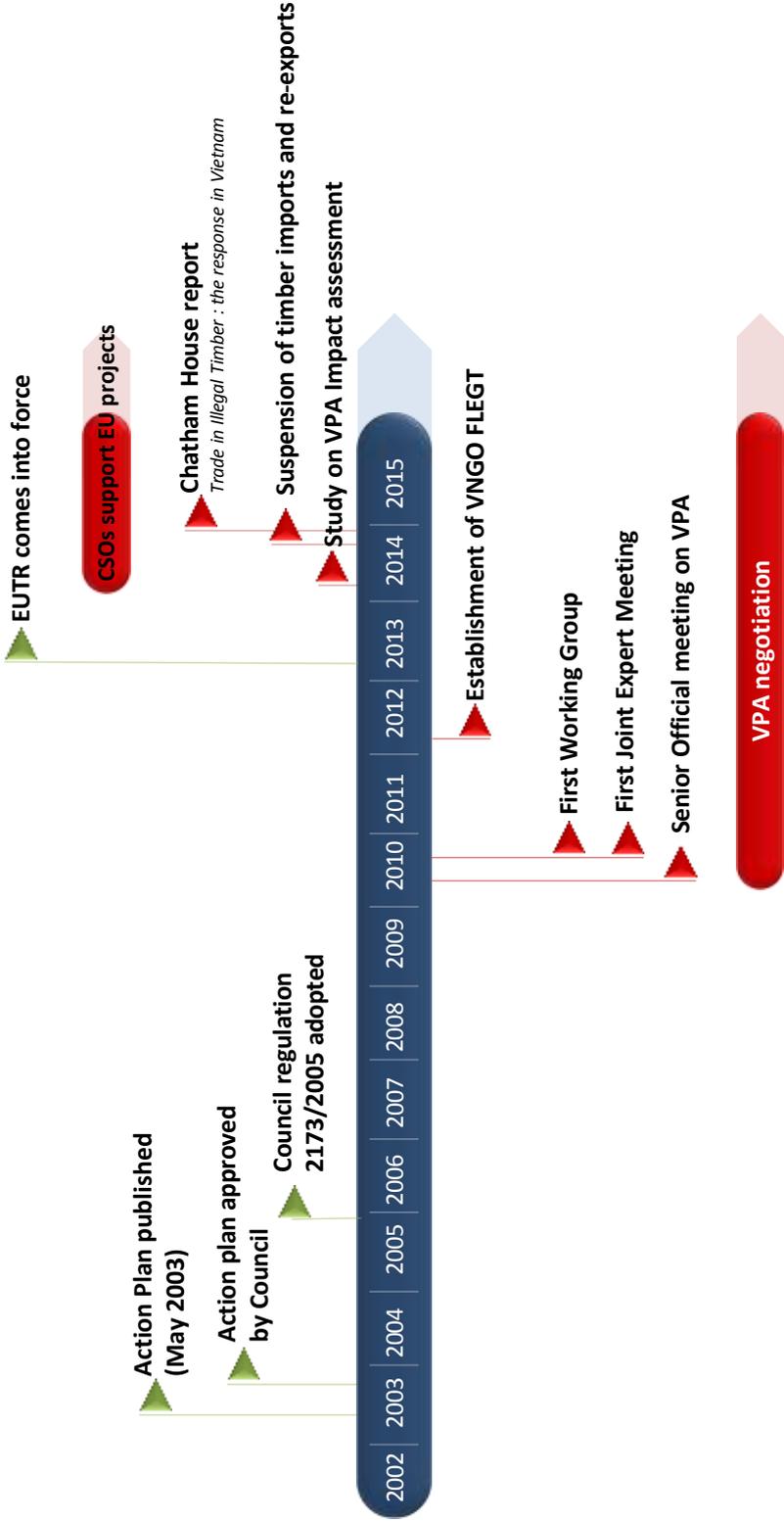
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Annex 1: Mission Schedule

Monday 1 st June Hanoi	<ul style="list-style-type: none"> - Morning : arrival of the 2 consultants - Meeting with FLEGT Facilitator - Meeting with EUD - Meeting Embassy of Finland - Discussion with EFI team
Tuesday 2 nd June Hanoi	<ul style="list-style-type: none"> - Group meeting with VNGO FLEGT Network members - Meeting with NEPCON - SFMI - Meeting with WWF - PANATURE
Wednesday 3 rd June Hanoi	<ul style="list-style-type: none"> - Meeting with VNFOREST - Discussion with Forest Trends - Discussion with UNODC - New discussion with the FLEGT Facilitator
Thursday 4 th June Hanoi	<ul style="list-style-type: none"> - Meeting with VIFOREST - Meeting with GIZ - Meeting with Towards Transparency - Flight to Hue
Friday 5 th June Hue	<ul style="list-style-type: none"> - Meeting with ICCO, CRD and CORENARM (Central Project) - Meeting with the Forest Protection Administration in Hue - Travel to BinDinh
Saturday 6 th June Bin Dinh	<ul style="list-style-type: none"> - Meeting with Binh Duong Furniture Association - Visit of 2 processing companies
Sunday 7 th June	<ul style="list-style-type: none"> - Flight to Hanoi - Preparation of the reflection meeting
Monday 8 th June	<ul style="list-style-type: none"> - Mrs Arkesteijn leaves to China - Meeting with CED - Discussion with VN FOREST
Wednesday 9 th June	<ul style="list-style-type: none"> - Reflection meeting - Flight back to Europe

Annex 2 FLEGT Timeline



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Annex 3: Table for analysis of achievements

Forests, markets and livelihoods					Governance				
Forest conditions	Economic development	Domestic market development	Livelihood and poverty	Effectiveness of stakeholders involvement	Accountability & transparency	Illegal logging	Institutional effectiveness & efficiency	Law enforcement & compliance	Tenure and access
<p>1) Natural forests are being managed and SFM certification is increasing even if still representing small forest areas</p> <p>2) Plantation forests are increasing</p>	<p>1) Timber markets and exports are increasing (export revenue reaching 3.4 billion USD in 2010, 6.2 billion in 2014)</p> <p>2) But EU market share is decreasing.</p> <p>3) Share of Chinese market increased (woodchips)</p>	<p>1) Domestic market mainly due to HH and SMEs</p> <p>2) Low participation of these actors in the VPA negotiation</p> <p>3) Poor interest in EUTR and VPA</p> <p>4) But Domestic Market is due to expand</p>	<p>1) Impact unclear yet but could be huge if HH and SMEs not included in the negotiation</p> <p>2) Support projects to grow awareness among small holders</p>	<p>1) Improved participation of the CSO</p> <p>2) Possibility to comment the VPOA annexes</p> <p>3) Recognition by the VN Forest</p> <p>4) Poor involvement of local stakeholders such as Households, Small enterprises and local administration</p>	<p>1) VN Forest has been publishing a report showing to what extent stakeholder comments on the VPA annexes have been addressed and taken into account</p> <p>2) Important step forward in a very centralised country</p>	<p>1) Not quantified but studies indicate that cross border illegal import is still on going</p> <p>2) Revision of the legal framework with respect to import timber</p> <p>3) still illegal logging going on in natural forest because demand of hardwood is high</p>	<p>1) VPA negotiation are centralised by MARD</p> <p>2) Participation of other ministries (Custom, Industry) but unclear how they coordinate</p>	<p>1) Lack of law enforcement in remote areas</p>	<p>1) State own the forest</p> <p>2) Titles are being issued for various groups (Land use certificate)</p> <p>3) But not always the case sourcing many land conflict</p>

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1. Introduction

China is not a VPA country, but one of the main importers, consumers, processors and exporters of wood-based products on the globe. Due to its role and magnitude, any action China takes regarding timber and other wood based products and its related trade has a great impact on wood-based products and trade globally. Without partnering with China on combatting illegal logging and related trade, EU FLEGT Action Plan efforts and their effectiveness may turn out to be futile. Therefore, the mission concentrated on understanding China's measures to combat illegal logging and trade, besides assessing progress and achievements of the EU FLEGT Action Plan in China.

a) History of the EU FLEGT AP in China

China has been active in FLEG related initiatives since the Bali FLEG conference in 2001, signed the FLEG-ENA Ministerial Level St. Petersburg Declaration in 2005, and participated in the East Asia FLEG process. In 2009 China and the EU signed an MOU to combat illegal logging and its related trade. In the same year, the Bilateral Coordination Mechanism (BCM) on **FLEG**²⁵³ was established to give shape to the agreement. Every year –except for 2012- a BCM meeting was held in which both parties (Chinese and EU representatives) review progress over the past year and discuss plans for the next year. In 2014, an office of the EFI FLEGT Facility was established in Beijing (with 2 staff) to support the activities listed under the BCM. Other programmes directly connected to the EU FLEGT Action Plan include i) a comparative research programme of the Timber Legality Verification systems and the draft design of a so-called Chinese Timber Legality Verification System (CTLVS, 2009-2011) funded by the Defra/DFID and the State Forestry Administration (SFA); ii) the DFID funded Forest Governance, Markets and Climate (FGMC) programme in China (2011-2014), iii) the DFID funded China-UK Collaboration on International Forest Investment and Trade (InFiT programme) (2014-) and iv) the EU/ETTF funded Timber Trade Action Plan 2 (TTAP2) programme in China (2006-2013). Under these programmes quite a number of Chinese measures to combat illegal logging and trade were supported, like the CTLVS and a number of guidelines for Chinese overseas companies and investors. For more details on EU FLEGT related programmes and activities, see the timeline in annex 2.

b) The main stakeholders in China

The State Forestry Administration (SFA) is the **governmental** focal actor for almost all EU FLEGT Action Plan (and related) activities. It has the mandate for forestry policies and regulations, and domestic timber production, and it represents China during the BCM meetings. While the SFA coordinates activities, other affiliated units implement parts of the programmes and activities, such as the Chinese Academy of Forestry (CAF), the Centre for International Forestry Products Trade (CINFT) and the Research Institute of Forestry Policy and Information (RIFPI) (both under the CAF). The CAF and the two research groups are developing, among others, the CTLVS and the related guidelines. For the InFiT

²⁵³ The entry point for the EU-China bilateral discussions was the existing official discussion platform of FLEG. Therefor also the State Forestry Administration was appointed as the formal counterpart of the discussions with DG Environment of the EC in 2009. The programme in China was not focusing on trade at first. This would change slowly over the years (see also the chapter on EQ3, and EQ4).

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programme, a programme management office (PMO) has been established coordinating all activities under InFIT. Their work is overseen by a Steering Committee comprising DFID, SFA and the Ministry of Commerce (MOFCOM). To support the BCM, the EFI FLEGT Facility (EFI FF) also established an office in Beijing.

The **industry** related to timber and timber products and timber trade is vast. There are some powerful associations like the China National Forest Product Industry Association (CNFPPIA, with 3200 members and the mandate to organise the forest product industry), affiliated to the SFA, and the China Timber and Wood Products Distribution Association (CTWPDA, with 3000 members the largest traders association), formerly affiliated to MOFCOM but now independent. Then there are regional associations like the Shanghai Timber Trade Association (STTA), with 1000 members, mainly processors and traders). These three associations have been working with the EFI FF in Beijing, the SFA and the InFIT PMO on FLEG(T) activities.

There is a wide range of **international NGOs** that have offices in Beijing and work together with the CAF, SFA, EFI FF and/or PMO on FLEGT activities. They are usually invited to attend FLEGT-related workshops and are requested to provide comments on e.g. the design of the CTLVS and the various guidelines for Chinese overseas companies and investors, and/or implement parts of activities. The INGOs include WWF, Greenpeace, Forest Trends, RainForest Alliance, TNC RAFT, TRAFFIC, TFT and Global Witness. In general, they know each other and whenever possible and relevant they align their activities. **National NGOs**, such as the Global Environment Institute (GEI), are still rare. Like others, they work among others on cross-border trade with Myanmar and are piloting parts of the CTLVS as well.

The **academic world** is mainly represented by the Chinese Academy of Forestry and to a lesser extent by the Beijing Forestry University. The number of studies and publications on illegal timber has expanded enormously over the last five years (as mentioned by some of the interviewees).

The **international community** dealing with FLEGT is mostly represented by the EUD, EFI FF Beijing and DFID/PMO.

c) Special issues

Although the evaluation team looked into all ten-evaluation questions, special attention was given to a limited number of specific issues, namely:

- c.1 China's measures to combat illegal logging (internationally/domestic);
- c.2 China's efforts to guide Chinese companies and investors overseas.

c.1. China's measures to combat illegal logging (internationally/domestic)

In 1998, just after the big floods, the government of China issued a **ban on commercial logging** in China's natural forests in 13 provinces that are part of the watersheds of the Yangtze and Yellow river. At the same time, China strengthened its efforts to **increase the production of plantations**²⁵⁴ (changes in land tenure combined with the efforts to reforest barren land, especially along the watersheds of the Yellow and Yangtze rivers, and around Beijing/Green Belt). To cater for the increasing demand for timber, both in China and abroad, China had to increase its imports from other countries. **In 2015, another ban** was announced that aims to reduce commercial harvesting of planted forests by 20 per

²⁵⁴ Also with the aim to become more self-sufficient in timber production.

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cent and eliminate logging on state-owned natural forests by 2020 (Ramzy, 2015). This has increased China's dependency on imported wood even further (see for the trend in import figure 8 on page 4).

Due to the domestic plantation policy and logging bans, China is one of the few countries in the world that shows an increase of **forest cover** over the last decades. Over 2012-2013, the afforested area grew with 9% and in 2014, forests covered more than 20% of the country's area (208 million hectares) (SFA, 2013). Of this forest cover, 36% is plantation and 64% natural forest (SFA, 2014).

Besides the plantation policies and logging bans, China has, over the past eight or so years, taken several measures to combat illegal logging and trade. China has signed **bilateral agreements** with a range of countries including the USA (2007), the EU (2009), Australia (2010), Japan (2011) and Indonesia (2012). These agreements guide bilateral mechanisms for policy dialogues and activities to combat illegal logging and related trade, and for the USA, the EU and Australia they partly form the framework for support to activities to prepare China and Chinese companies for import regulations like the U.S. Lacey Act, the EUTR and the Australian Illegal Logging Prohibition Act. The agreement between China and the EU concerns the establishment of the Bilateral Coordination Mechanism on Forest Law Enforcement and Governance.

At regional level, China hosted –as the chair of APEC in 2014- two meetings of the APEC's Expert Group on Illegal Logging and Associated Trade (EGILAT) (**multilateral mechanism**). In addition China organized in 2014 a workshop on Developing Timber Legality Assurance Systems. The workshop provided a platform for EGILAT members and invited guests to share information and exchange best practices in developing and implementing effective and credible timber legality assurance systems, and explored how to address the major challenges associated with such systems (see the APEC website <http://www.apec.org/Groups/SOM-Steering-Committee-on-Economic-and-Technical-Cooperation/Working-Groups/Illegal-Logging-and-Associated-Trade.aspx>). The Chinese aimed to develop a 'mutual recognition' initiative with interested APEC partners. This initiative demonstrates a marked departure from China's previous policy of generally declining to acknowledge the problem of illegal logging (FGMC review, 2014).

In reaction to the various import legislations (USA, EU and Australia), China started in 2009 with a comparative study for the development of a so-called **China Timber Legality Verification System** (CTLVS), with the support of Defra/DFID. In 2011, this study was published with a first draft proposal for the CTLVS. The system at that time was proposed to contain two elements: A governmental part with bilateral agreements, and a voluntary scheme for companies for those countries without an agreement. This system was discussed with a broad range of NGOs. In 2015, the design was somewhat adapted and again discussed with the group of NGOs. Various parts of the system are said to be piloted, but the precise contents of the adapted system could –for unclear reasons- not be shared with the evaluation team. The team could not find evidence of a design or further developed system, other than the draft version of 2011 and a PowerPoint presentation with guiding principles and a general action plan of 2015. The system is supposed to respond to the various (DDS, Due care) requirements of the different import legislations, through verification of the legality of timber.

c.2. China's efforts to guide Chinese companies and investors overseas.

Since China embarked upon its eleventh five-year plan on their 'Going Global strategy' (2001), Chinese companies have been encouraged to explore resources overseas, and to invest overseas to enhance

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China's competitiveness and expand the scope and modalities of China's economic and technical cooperation (Brack, 2014). To provide guidance to the companies operating overseas and to improve China's reputation, several **guidelines** were developed -usually in collaboration with INGOs- including Guidelines for Overseas Forest Management and Utilization (2009), Guidelines for Overseas Sustainable Forest Product Trade and Investment (2014) and the Guidelines and Credit Policies for Chinese Enterprises operating and investing abroad (2015). These are voluntary guidelines. Over the last few years, various INGOs, supported by among others the InFIT programme, have been working with Chinese companies overseas to make them aware of the guidelines and to encourage them to start applying the guidelines. However, since the guidelines are voluntary and have no binding legislation, and no monitoring mechanisms are in place, success of the guidelines is supposedly meagre.

2. Key Findings of the mission 255

On EQ1 relevance

Over the last few years, the general relevance of the FLEGT Action Plan and related activities in China has only increased. First of all, **China's supply of timber** products – for both domestic consumption and exports - has almost doubled over the last decade: from more than 300 million m³ in 2004 to more than 522 million m³ in 2013. (SFA, 2014) About half of the supply can be satisfied by domestic production, while the other half needs to be catered for by import (see figure 1, SFA, 2014).

With that, China has become the largest importer and processor in the world (Brack, 2014; EIA, 2012) and very likely also one of the largest importers of illegal timber (EIA, 2012). Naturally, figures on **illegal timber and trade** are hard to come by, but a recent study of Chatham House (2015) indicated that 15% of all timber may be considered illegal (and confirmed by our own analyses). Although this percentage has decreased from 20% in 2008 (Chatham House, 2010), this figure is still considered high by the Chatham House researchers, when compared to other countries. Almost all domestically produced timber in China is coming from plantations, and the risk of illegal timber from domestic sources is low, even though some cases on domestic illegal logging can be found in the China Forestry Development Report 2014 and on internet (see for example

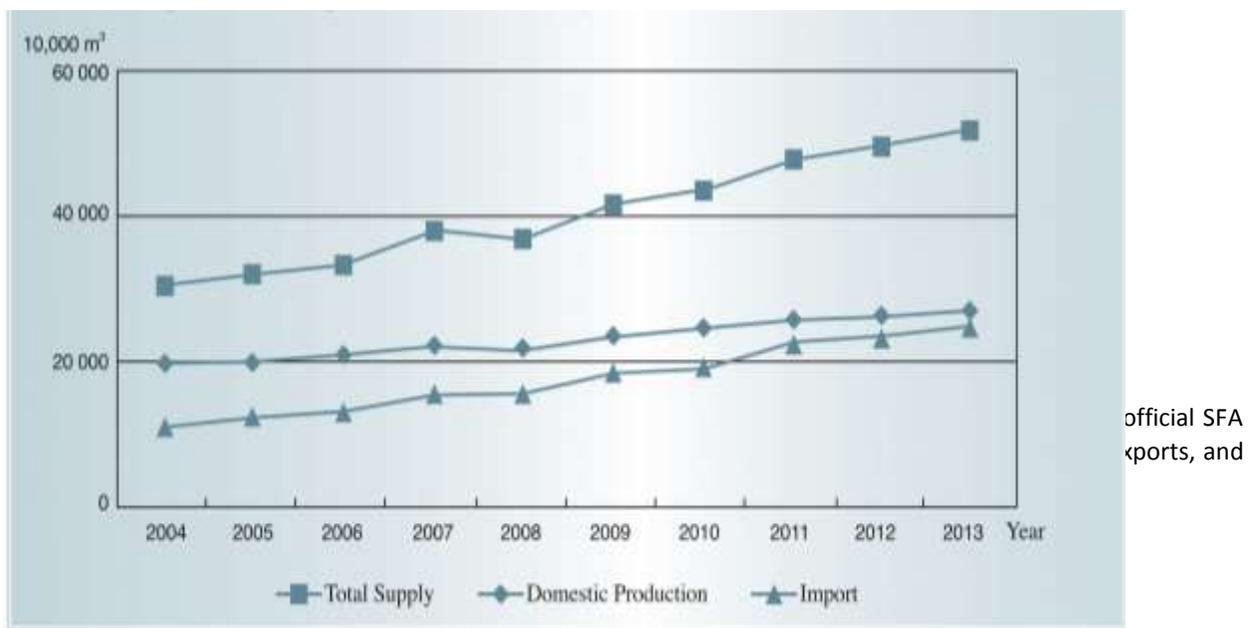


Figure 1 Changes in the Total Supply of Timber Products (2004-2013), SFA, 2014

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http://www.court.gov.cn/zgcpwsw/sc/scslszjrmfy/glxrmfy/xs/201506/t20150610_8519706.htm

(Sichuan, May 2015)). It is mainly the **imported timber** that causes concern for illegality (see Chatham House, 2015; Chatham House, 2010; EIA, 2012; Forest Trends, 2014; Forest Trends, 2013, Global Witness, 2015; Greenpeace, 2015 etc.).

Secondly, **timber export** from China to the EU is still very significant, despite a slight decrease in recent years. Between 2004 and 2012, **trade between China and EU28** has grown in value from 1.8 billion US \$ to 5.2 billion US \$ (TTAP Trade Flows, 2013; IMM, 2015). In 2012, this was around 15% of the total Chinese export (total in 2012 is 35 billion US\$). In 2013 and 2014 the Chinese export to the EU decreased slightly to approximately 4.8 billion US\$ (IMM, 2015; Chatham House, 2015). Furniture comprises 72% of the total export to the EU. The volume of exports shows similar trends (see Figure 2).

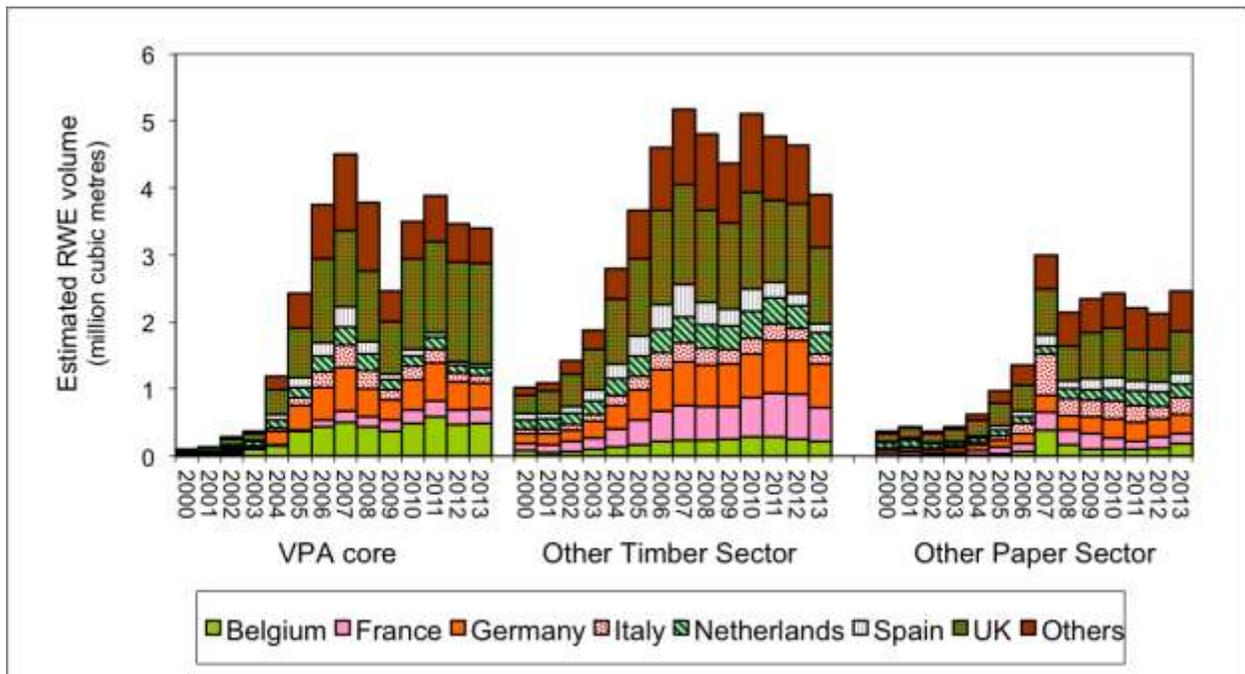


Figure 2 China's exports of **wood-based** products to the EU (RWE volume basis; product group, by destination country), EU FLEGT evaluation, 2015

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However, to put overall exports and the export to the EU into perspective: the total exports amount to only around 20% of the total demand; the **domestic consumption** takes by far the largest share of the total consumption, with more than 80% of the total supply going to domestic consumption (422 million m³ in 2013). Although the domestic consumption has been growing strongly over the last 10 years, the percentage of domestic consumption as part of the total consumption (including exports) is slowly decreasing from around 90% in 2004 to 80% in 2013 (SFA, 2014), indicating that the share of export is slowly increasing, but still of relatively limited importance.

On EQ2 design

Activities related to the FLEGT Action Plan in China seem rather well designed and geared towards policy influence and technical development. However, limited attention is paid to the timber industry within China, and limited attention is paid by the Chinese industry to activities to combat illegal logging and trade (Action Area 4 Private sector initiatives). After all it is the industry that needs to change their 'import' practices.

One could argue that at the level of overall objectives of reducing illegal logging and related trade worldwide it would be important to reduce demand for illegal timber globally. Therefore, much more attention could be paid, as in the EU FLEGT Action Plan itself, to *demand side measures* in China, such as **import legislation to forbid the import of illegal timber** into China (considered by many stakeholders as a must), further development and enforcement of the Green Procurement Policy, to Finance and investment safeguards and other measures (see EQ3).

It seems important for combating global illegal logging and related trade to pay attention to the Chinese domestic market where a large share of the illegal timber (including rosewood) is consumed (Forest Trends, 2013; Global Witness, 2015). Except for some attempts by WWF, currently no Chinese actors are undertaking activities to stimulate the domestic industry and its consumers to avert from buying 'illegal' timber and demand legal timber. The question seems justified whether the EU FLEGT Action Plan should not start working with Chinese actors on influencing the domestic market as well.

On EQ3 effectiveness

General effectiveness

When talking to the various stakeholders in China, it becomes clear that the **term** 'EU FLEGT Action Plan' causes quite some **confusion**, despite the fact that most stakeholders have attended workshops initiated by EFI FF, SFA and/or CAF. Some people confuse the Action Plan with FLEGT licenses, others with the EUTR. Some stakeholders think FLEGT licenses are already on the market while referring to signed VPAs. This causes a Babylonian confusion frequently. This points to a need for increased communication on the EU FLEGT Action Plan in China.

In general, most stakeholders in China conclude that results of FLEGT action are becoming slowly visible in terms of changing attitudes and mind-sets of the SFA and some of the industries, of more inclusive policy and guidelines development, of a change of discourse (from denial to talking about combating illegal logging and trade), and of an increase in studies and publications on illegal logging and trade. At the same time, some NGOs feel a certain level of window dressing being done by the SFA as well, since actions taken show slow progress.

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AA1 Support to China as a producer and processing country

DFID, and to a lesser extent the EC, has supported quite some measures taken by China to combat illegal logging and its related trade.

The Bilateral Coordination Mechanism / EFI FLEGT Facility Beijing

The BCM seems to be a good mechanism for official exchanges between China and the EU. Every year, since 2009, progress is being discussed and new plans developed. The purpose of BCM was -in the beginning- to discuss how China can work with the EU to help timber-producing countries to address forest governance issues, and promote the trade of legally sourced timber accordingly. It was not directly focusing on trade issues between the EU and China. However, in more recent BCM meetings the T of trade entered the discussions.

Given the BCM's history with FLEG (without T), the SFA is the Chinese lead agency. However, when trade becomes an issue of discussion within the BCM, the involvement of other ministries like the Ministry of Commerce is important.

The mechanism was meant for discussing policy issues, while in practice the work plan usually comprises a list of activities. Policy issues are discussed on the side.

The China Timber Legality Verification System

In 2008/2009, after a visit of SFA officials to the UK in the context of another bilateral UK-China programme, they expressed interest in a system for timber legality verification that would help them deal with import legislations of the USA (Lacey Act) and the forthcoming EUTR. From 2009-2011, a study to further define China's needs and demand was conducted, as well as a study to compare different existing TLV systems (supported by DFID). Based on these studies, China designed a first draft of the so-called China Timber Legality Verification System (CTLVS), consisting of two elements: a governmental system based on bi-lateral agreements with source countries (rather similar to the VPA system), and a voluntary system for companies regarding source countries that have no agreement with China. This system was discussed with NGOs and donors and was considered by some NGOs as unrealistic at the time, since it would consume a lot of time to engage with the source countries, with high possibilities of timber laundering since the system was based on documentation without verification of the documents.

The design was shelved for some time and with the start of the new DFID supported InFIT programme in early 2014, it got a second life. An adjusted framework was presented to a group of stakeholders in spring 2015. However, the evaluation team did not get to see the adjusted framework, except for a general power point presentation. Although this might be seen as a lack of motivation to bring the system a step further, the evaluation team has the impression it has more to do with a lack of capacity, or not knowing exactly what to do and how to proceed, in a political and technical sense. CAF is leading the work on the CTLVS but does not have much prior experience with the issue or with the timber industry as such. Besides, CAF and its mother institution SFA do not have the mandate to fully develop systems that include agreements and trade; they have the mandate for domestic forestry and forestry production.

Quite a number of stakeholders, including parts of the industry and other key stakeholders, questioned during interviews with the evaluation team whether China needs a CTLVS since it is perceived as complex and time consuming.

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What is evident, instead, for a large group of the stakeholders is that China needs, most of all, legislation for forbidding the import of illegal timber. In the 2015 work plan of the BCM, a feasibility study on such legislation for China is one of the activities. Results of this study will be discussed with decision-makers and representatives from MOFCOM, Customs, other related government agencies, think tanks and businesses.

Nevertheless, the evaluation team bears the opinion that if China wants to clean up its own market and its global image, developing a CTLVS is important, to keep track of the sources of timber in complex products that both uses domestic and imported timber (see figure 3).

The Guidelines

Since China embarked upon its eleventh five-year plan on their 'Going Global strategy' (2001), Chinese companies were encouraged to explore resources overseas, and to invest overseas to enhance China's competitiveness and expand the scope and modalities of China's economic and technical cooperation (Brack, 2014). To provide guidance to the companies operating overseas and to improve China's reputation, several **guidelines** were developed, including guidelines for overseas forest management and utilization (2009), guidelines for overseas sustainable forest product trade and investment (2014) and the Guidelines and Credit policies for Chinese enterprises operating and investing abroad (2015). These are voluntary guidelines. Over the last few years, various NGOs (GEI, CAF, WWF, IIED) – with support mainly from DFID - have been working with Chinese companies overseas to make them aware of the guidelines and to encourage them to start applying the guidelines. A point of attention here is the connection between these activities and other activities in VPA countries.

However, since the guidelines are voluntary and have no binding legislation, and lack a monitoring and evaluation mechanism, its impact is unclear. Options are being explored to see how incentives like credit facilities could be used to stimulate Chinese overseas companies. Again, NGOs claim that binding legislation is needed, while the SFA claims they cannot control their companies abroad.

AA2 trade in timber

The effects of the EUTR in China

There is quite some **confusion** on the requirements for complying with the EUTR among private sector actors. The CINFT did a survey among 49 exporting manufacturers in 2012. Only 29% of the companies stated they knew about the import legislation like the EUTR, Lacey Act etc., while 57% claimed they knew little, and 14% did not know at all. To help Chinese companies out, several NGOs are supporting companies to better understand Due Diligence and some of them provide services to companies to assess risks (TFT, WWF, RAFT/TNC). Very few companies request the services of Monitoring Organisations (MOs) like Bureau Veritas. (BV). The CAF is currently working with NEPCo and Bureau Veritas on the development and piloting of legal source/due diligence tools.

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Given the complex supply chain of some of the wood products in China, tracing the source of timber can be every challenging and costly for companies. One of the associations interviewed estimates that import legislations like the EUTR has increased their members' costs with 15%.

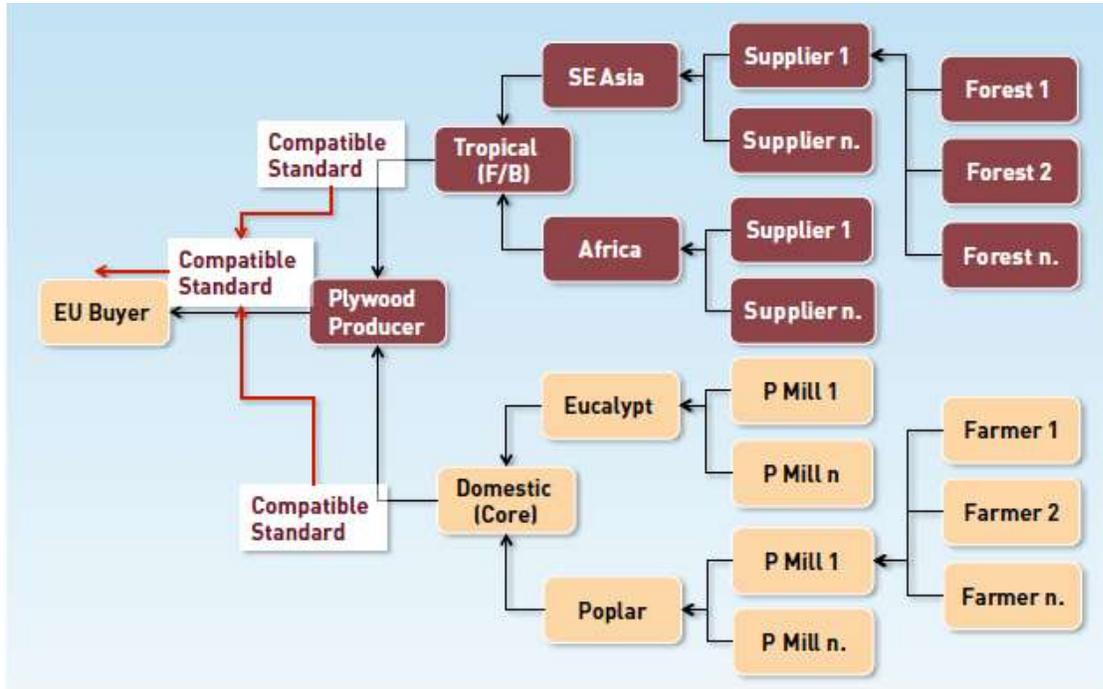


Figure 3 Supply chain complexity of a Chinese plywood producer delivering to a EU buyer, source TTAP.

A EU-based buyer may have to deal with a Chinese supplier who, at his/her turn, can have a large range of suppliers as well (see figure 3). Some of the stakeholders conclude that the EUTR is good for simple chains, but not for complex chains like the ones they have in China.

In the CINFT study, as well as during interviews, the **following strategies** were mentioned for coping with the EUTR, the Australian Illegal Logging Act and/or the US Lacey Act requirements: Most of the companies that export to the EU, USA and/or Australia do whatever they are asked to do by their buyers in Europe, and that is mainly using **third-party timber certification like FSC**. The number of FSC-COC certified companies has increased significantly over the last eight years (see figure 4, CINFT, 2014). Some of the interviewees complain about the high prices for certification and the many cases of fraud²⁵⁶.

²⁵⁶The team did not have the opportunity to further investigate these complaints (as it was also beyond the scope of the mission) but it certainly deserves further attention.

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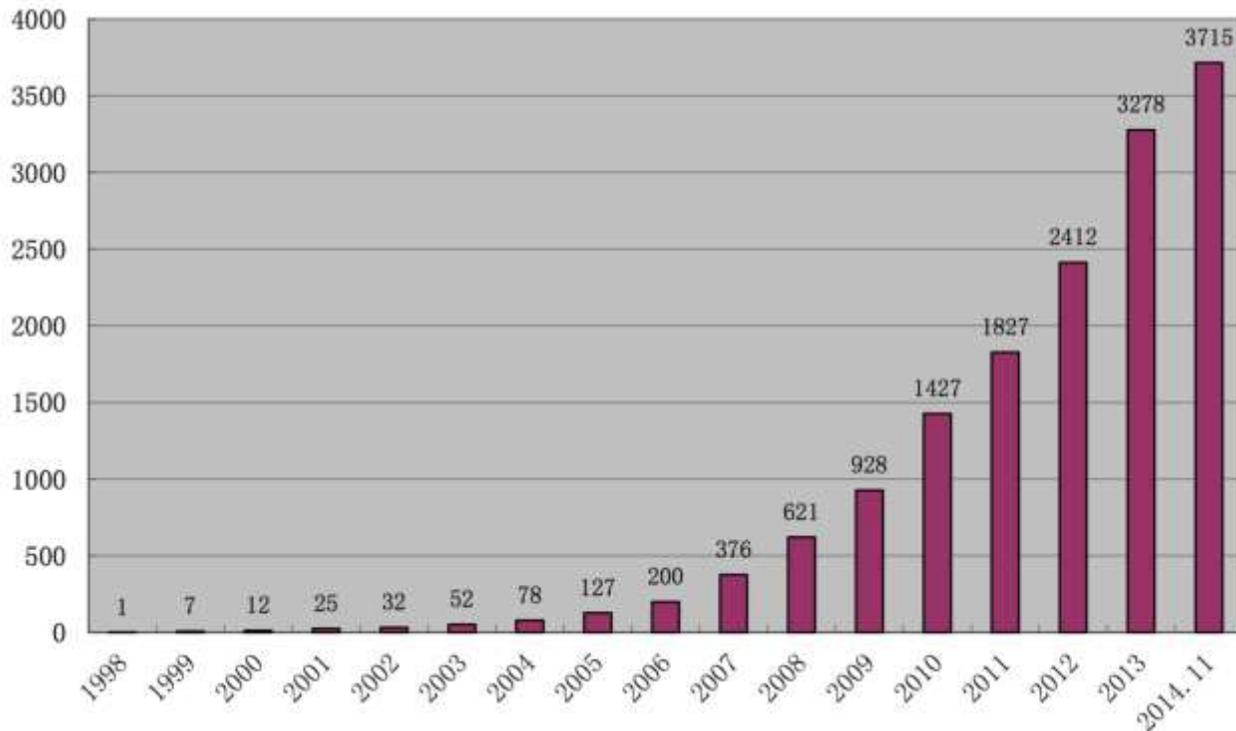


Figure 4 Number of FSC CoC certified companies in China 1998-2014, SFA, 2014

Another strategy to cope with the EUTR and other import legislation is to purchase timber from low-risk countries like the USA, Canada and New Zealand and to purchase low-risk species. The import volume of wood from Russia has decreased from 66 in 2007 to 23% in 2013 –possibly also due to the increased tax²⁵⁷ rates-, while imports from the USA, Canada and New Zealand has increased by more than 1300%, more than 1200% and 500% from 2008 to 2013 (CAF, 2014), respectively. The question here is how the companies make sure this timber from low risk countries is not mixed with timber from high risk countries, especially given the complexity of the industry’s current structure e.g. the plywood industry (see figure 4).

Both changes cannot be directly attributed to the EUTR but probably regulations like the EUTR, the Lacey Act and the Australian Illegal Logging Act contributed to these changes.

Till date, hardly any shipment to the EU has encountered any problems entering the EU. Some of the NGOs state that if the EUTR had been properly implemented, there would have been quite a number of Chinese cases. The industry sees the EUTR as a ‘Paper Tiger’, still too weak to really bite. Nevertheless many of them have taken precautions and resorted to certification.

²⁵⁷ The Russians increased their export tax rate for logs from 6.5 % to 20% in July 2007. Rates further increased to 25 % in 2008 and for hardwoods to 40% in 2009. For Poplar and semi finished products such as “genban” the tax rates increased to 50% in 2009, all aimed at supporting the processing in country.

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An interesting development is that China, during the last BCM meeting, has expressed its interest to purchase Indonesian FLEGT licensed timber as guaranteed legal timber. This could open a whole new dimension for the relevance of FLEGT licensing, *provided* that countries like China have properly functioning traceability systems to prevent mixing with other sources and laundering of timber.

AA3 Public procurement policy

In November 2006, the Chinese government introduced a policy for the public procurement of various wood-based products like furniture, panels, floors and paper, based on China's Environmental Labelling Certification Scheme, which assesses and certifies the environmental impact of the manufacturing process for a range of products (Chatham, 2015). In the requirements of these wood-based products, there are two clauses on wood material sourcing: (1) wood material should meet the requirements of CITES; and (2) imported wood material should come from sustainable forests, and wood material from domestic forests should comply with forestry-related laws and regulations in China (MEP, 2010). There are, however, no clear requirements for determining legality and sustainability of products, and enforcement is left to document verification only. The stakeholders interviewed expressed that the list of overall products of this Green Procurement Policy is too limited, and there is little enforcement of the policy. Therefore, they consider it a beneficial measure in theory, but not in practice.

AA4 Private sector initiatives

The Chinese National Forest Products Industry Association (CNPFIA), one of the largest associations in China with over 3200 members, started its own timber legality verification system with some of its members. They piloted the system with 60 of their members (of whom 10 were awarded certificates) and are in close contact with associations in the UK and in the USA to have their system recognized. Whether it complies with EUTR requirements is still to be assessed. The CNPFIA is also involved in the development of the broader CTLVS. However, since they considered the development of the CTLVS would take too long, they started their own verification system.

From 2006-2013, the EU funded the TTAP2 programme in China (2006-2013). TFT China was one of the implementers of the programme. Due to a lack of tangible results (the industry was not moving), the programme was not extended and TFT decided not to participate in a next phase.

AA5 Finance and investment safeguards

As stated before, China developed a range of guidelines including guidelines that try to regulate Chinese overseas investments: Guidelines for overseas sustainable forest product trade and investment (2014), and guidelines and credit policies for Chinese enterprises operating and investing abroad (2015). Several NGOs (IEDD, IIED, WWF, TNC) and the CAF work with Chinese enterprises overseas in the DRC, Uganda, Cameroon (IEDDIIED), Guyana, PNG, Gabon, Russia and Mozambique (CAF/TNC/InFIT/WWF (particular in Gabon)), and make them aware of local forestry, timber, commercial, tax and labour laws, and management of forests. However, these are voluntary non-binding guidelines without evaluation and monitoring mechanisms. Possibilities are explored to link credit facilities to the use of the guidelines in order to encourage companies to apply the guidelines. There is no functioning monitoring system that shows whether and how many companies are following the guidelines till date.

AA7 Conflict timber

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In 2014/2015, more than a hundred alleged Chinese loggers were detained (and in 2015 released) in Kachin, a northern Myanmar state, where timber is seen as a driver of conflict between the Myanmar government and Kachin militias. The Chinese NGO Global Environment Institute is working in Kachin, and on the cross-border trade of (illegal) logs²⁵⁸ between Myanmar and China. EFI FF has also commissioned a Myanmar-China cross-border trade study and held a workshop on the subject in Kunming in April 2015, to be followed by another in bilateral meeting in Myanmar in September 2015. Other cases of conflict timber where Chinese companies have been involved include Liberia, Guinea Bissau. However, except for the Kachin case, the team could not get more detailed information on conflict timber.

On EQ4 implementation, management and coordination

One of the central players in activities related to the EU FLEGT Action Plan is the State Forestry Administration. The SFA has the mandate for domestic forestry issues, to develop forest policies and bans for logging in natural forests and to a certain extent plantations, but not for trade and trade agreements.

When considering the development of the BCM, the CTLVS, the guidelines, the green procurement policy, and possibly legislation for a ban on import of illegal timber, other ministries are needed, like the Ministry of Commerce, the Ministry of Foreign Affairs, or the State Council, among others. In order to engage in higher policy debates and in activities that move beyond forests, collaboration needs to be sought with these other aforementioned entities. It is not very common for lower authorities like the SFA to invite (higher ranked) Ministries. Likely some political massaging may be needed e.g. by the EUD in Beijing. This issue was raised by a number of stakeholders.

The EFI FLEGT Facility opened an office in Beijing in early 2014, with 2 staff, after having worked on China for five or so years. The mandate of the Facility is to support the BCM activities and embed the FLEGT VPA and EUTR concepts into the different related initiatives in China, to make sure that FLEGT VPAs and EUTR efforts are well recognized and appreciated and co-supported from the Chinese side, which may contribute to good incentives for VPAs, and FLEGT licensed timber. Their reputation has been well established and is recognized by various stakeholders.

For the InFIT programme, a programme management office (PMO) has been established that coordinates all activities under InFIT, like the support to the CTLVS, and the guidelines.

The FLEGT Facility and the PMO have a rather distinct division of labour, with the FLEGT Facility focussing on a better understanding of the EU FLEGT Action Plan and especially VPAs and the EUTR (the EU measures), and the PMO contributing to the Chinese measures. Whenever deemed necessary they coordinate and communicate their activities. The FLEGT Facility invites the PMO to the EU-China BCM meetings, and PMO sends their annual work plan to the FLEGT Facility.

In general, coordination and alignment of activities between the various NGOs operating in China is very good.

²⁵⁸ In 2014 Myanmar banned the export of logs in order to promote their wood processing industry and help protect what was left of its forest.

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On exchanges between VPAs and China Quite recently, Chinese and the VPA countries' actors joined together in a workshop in China, initiated among others by the BCM and facilitated by the FLEGT Facility. In VPA countries, Chinese companies are trained and guided on the Chinese guidelines for overseas investors by various NGOs. However, during our visits to the VPA countries we have not come across these initiatives. It seems they are rather isolated from the VPA processes in the VPA countries.

On EQ5 Achievement of objectives

Illegal logging and related trade

Illegal logging in China itself is probably not a major issue; it is mainly about *illegal logging in China's source countries and the related trade*. A recent study by Chatham House (2015) has shown that the Chinese government has made progress in its efforts to tackle illegal logging and its related trade. The estimated proportion of trade in illegal timber has decreased over the years from 40% in 2000 to 15% in 2013. The overall volume, however, of trade in illegal timber has increased, since the overall volume of trade in timber has grown considerably: In 2013, the volume of illegal timber was estimated to be 33 million m³ RWE; in 2000 this was 17 million m³ RWE (Chatham House 2015). Changes cannot be directly attributed to the EU FLEGT Action Plan, although likely the Plan has contributed.

Although illegal logging in China itself may be of minor importance, there is another issue deserving attention: in order to verify legality of supply chains in China – it can be very complicated to *prove legality of the supply chains* that involve hundreds of small farmers supplying poplar to plywood factories (land property registration, tax obligations, etc.) (see also figure 4).

The discourse within China has shifted considerably from denial of the problem, in the early years of this century, towards wanting to contribute to solving the problem, in more recent years. Some NGOs call it green washing (especially when referring to the CTLVS, and the guidelines) but in general stakeholders agree changes are taking place.

Forest governance

Domestic forest governance seems well established in terms of law enforcement, absence of illegal logging, and institutional effectiveness. The team was not able during the mission to get a better understanding of the level of stakeholder engagement, accountability and transparency.

Natural forests are to be fully protected against any commercial logging from 2020 onwards. The definition of Natural Forests may include parts that were reforested by farmers. There are concerns that a part of the farmers who planted trees may not be allowed to harvest these in the long run due to the newest ban.

It is mainly the forest governance in source countries that is cause for concerns. Chinese companies in source countries take advantage of weak (forest) governance in source countries (EIA, 2012; Global Witness, 2015), hence the earlier mentioned guidelines for companies.

On EQ6 Emergent outcomes

In China, just like in many other FLEGT supported countries, there is an unprecedented engagement of stakeholders in the development of measures like the guidelines and the CTLVS. Stakeholders see a rather significant change of attitude of the SFA towards the role of NGOs: In earlier days, critical NGOs would not be invited whenever they criticised the Chinese Government. Recently, Global Witness was

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invited to proactively contribute to guidelines, while they had just published a critical report. With efforts NGOs pushing especially WWF China and the new InFIT programme, the involvement of stakeholders has been taken to a new level: Were stakeholders usually only invited to comment on draft guidelines and frameworks, now they are being invited from the beginning of the process.

While 10 years ago, China would be in denial of playing a role in illegal logging and the related trade, now it acknowledges its role and tries to come to grips with it. This is accompanied by a whole range of studies and publications on illegal logging produced by Chinese research institutes and think tanks.

The industry does –except for moving towards FSC and other certification- not show many changes. Lack of movement from the private sector was also mentioned as one of the non-achievements of TTAP2.

The CNFPIA started their own TLV system with their members.

On EQ7 contribution to higher objectives

Poverty reduction

There are no indications that the EU FLEGT Action Plan or any related activities has contributed to poverty reduction in China.

There are however concerns that smallholders involved in timber production risk to be affected by the move towards legality verification and certification. Buyers tend to favour low risk supplies and to exclude the complicated supply chains involving tens or hundreds of small producers (see also the TTAP2 evaluation). EFI FLEGT Facility carried out a study with the Renmin University of China on the impact of the EU TR on SMEs showed how the EUTR had possible negative impacts on SMEs in China indeed.

Sustainable Forestry Management

There are no indications that the EU FLEGT Action Plan or any related activities have contributed to improved domestic sustainable forestry in China, or that China has contributed to SFM in source countries.

On EQ8 efficiency

Relatively limited amounts of money have been spent on activities in China over the last ten years especially when considering the importance of China's role in (combating) illegal logging and trade. China is not listed for ODA in many countries, so funding of activities can be a constraint (one of the reasons why the InFIT programme started late); China is expected to fund its own activities.

On EQ9 sustainability

In general it is perceived that the results of the activities, such as the change of attitude and the engagement of NGOs, will be sustained. Nevertheless, processes may be stalled when funding disappears, as the team witnessed with regard to the start-up of the InFIT programme. The evaluation team is not convinced that the Chinese will proceed with further development of the CTLVS in case DFID support would stop. This may have to do with the limited mandates of the SFA, and with a lack of capacities on how to deal with TLV systems and DDS.

On EQ10 coherence and added value

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Within China, the EU and DFID play in theory very complementary roles: The BCM for facilitating the policy dialogues between the EU and China, and DFID at bilateral and NGO level, on more technical and contents issues. In practice, however, although some policy dialogues are emerging at the BCM meetings, the BCM work plan is more an activity list than a framework for policy dialogue.

Currently, mainly DG ENV is involved in the FLEGT work in China. Given the role China is playing globally in (illegal) timber trade, for the EU there is space for playing a more comprehensive and important role than they are playing now, linking the FLEGT work to other objectives of the EU concerning trade and sustainable development, and involving other DGs as well.

Main Conclusions and Recommendations

Conclusion 1:

The level of activities and investments in China by the EU and the Member State countries are surprisingly low compared to the relevance of China for combating illegal logging and its related trade worldwide and with the EU specifically. The question should be asked whether China gets sufficient attention from the EU in general²⁵⁹ and from the EU FLEGT Action Plan specifically. According to Chatham House ‘the global trade in illegal wood-based products could be slashed by two-thirds if other consumer countries reduced their illegal imports to the proportions seen in the US and the EU. Owing to the scale of China’s imports, the spotlight will be on that country’s emerging policy framework’ (Chatham House, 2015, ix)

Recommendation 1:

Given China’s role in the timber trade (legal and illegal) and in conversion²⁶⁰ (legal and illegal), a stronger engagement of the EU and its Member States in FLEGT-related policy dialogues and activities with China in both China and source countries is needed. An additional framework for furthering partnership with China provides the Council Conclusions 16852/08).

Conclusion 2:

Given the complex timber processing chain in China, combining the use of domestic and imported timber, the development and implementation of a relevant Timber Legality Verification System seems urgent. The SFA and its institutions are the main counterpart for InFIT, BMC, FLEGT Action Plan activities in China. However, it does not have the necessary mandate to work on trade agreements, and overall TLVS systems that surpass the domain of national forestry. This stalls progress and achievements.

Recommendation 2:

The team suggests urgently involving the Ministry of Commerce and the Ministry of Foreign Affairs (and possibly higher political levels) in the activities. This could be done through existing linkages between other EC DGs and their Chinese counterparts, and through strengthening the political work at the EUD and the British embassy in Beijing.

²⁵⁹ For the EU to contribute significantly to its aims of halting global forest cover loss by 2030 and of reducing gross tropical deforestation by at least 50% by 2020 compared to 2008 levels (Council Conclusions of 4 December 2008, 16852/08), its response should consider both legal and illegal conversion.

²⁶⁰ Besides, 25% of tropical deforestation is reportedly driven by illegal conversion of forest for agro-commodities and as such contributing to illegal logging (Forest Trends, 2014, unpublished) and Chinese companies are playing a role in this conversion as well.

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Conclusion 3:

With respect to combating illegal logging and the related trade, it must be considered that most of the illegal timber entering the Chinese market is consumed in the Chinese domestic market. To ensure that no diversion of illegal timber trade will take place, measures directed at the domestic market are needed as well.

Recommendation 3:

In collaboration with the Chinese government and the iNGOs in China, a set of actions could be developed under the EU FLEGT Action Plan, to influence the Chinese domestic market and its consumers.

Conclusion 4:

In VPA countries, Chinese companies are trained and guided on the Chinese guidelines for overseas investors by various NGOs. However, during our visits to the VPA countries we have not come across these initiatives. It seems they are rather isolated from the VPA processes in the VPA countries.

Recommendation 4:

Exchanges between Chinese and VPA country could be strengthened when at the VPA country level, activities on the Chinese guidelines for overseas investors are connected to the VPA processes and VPA Focal Persons in VPA countries to enhance synergy and better mutual understanding.

Conclusion 5:

Currently Chinese traders and suppliers see the EUTR as ‘paper tiger’ and therefore there is hardly a sense of urgency to clean up the ‘house’.

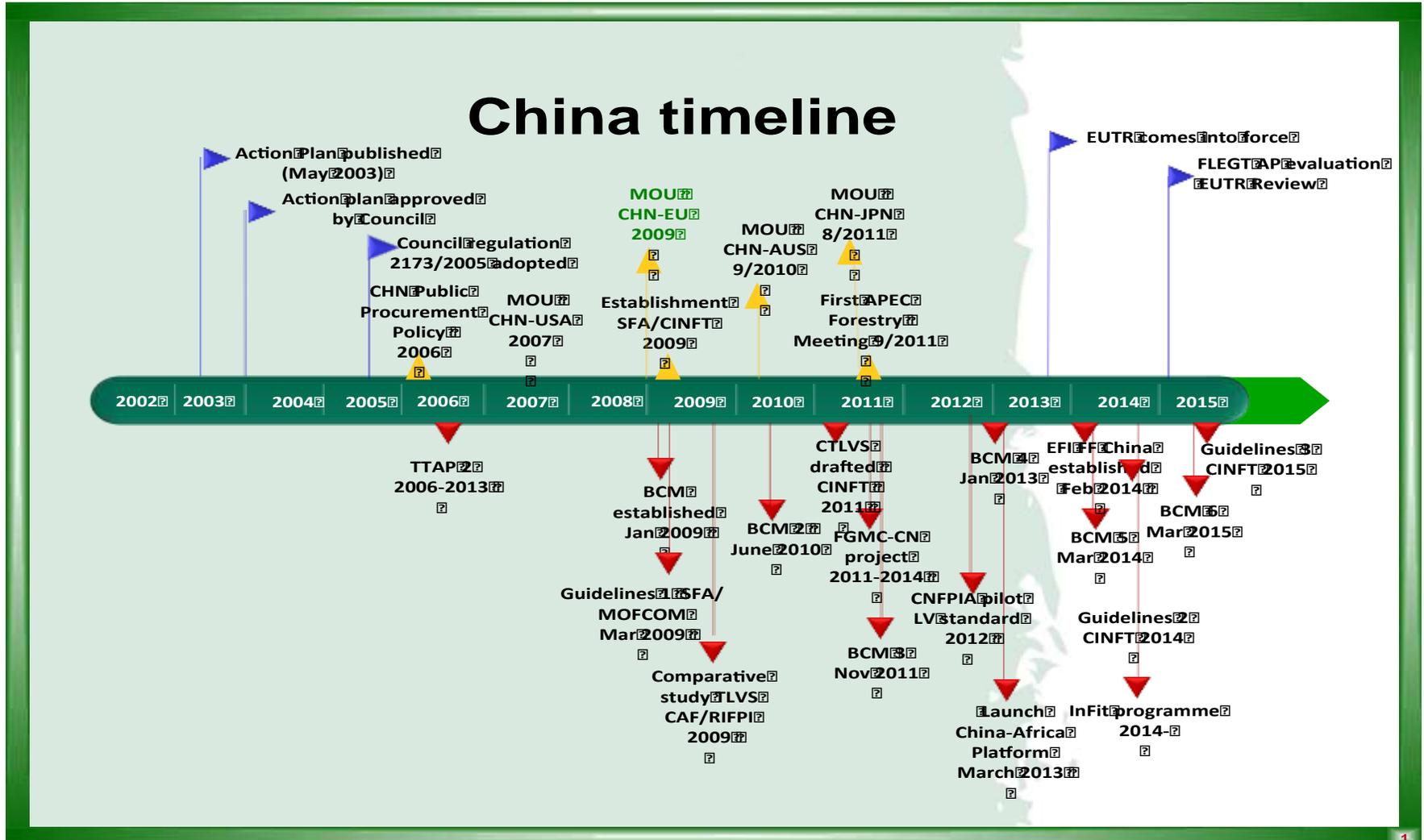
Recommendation 5:

A harmonised and proper implementation and enforcement of the EUTR will help to create a sense of urgency in China to change practices of the industry, develop proper traceability systems and legislation that forbids the import of illegal wood based products into China.

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Annex 1 FLEGT Timeline (China)



Mission Aide Memoire – Colombia

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1. La situación de Colombia referente al Plan de Acción FLEGT

La historia FLEGT en Colombia

Colombia cuenta con una cobertura forestal extensa que cubre el 59.6% de su territorio nacional continental (114 Milliones de ha). Según un estudio del IDEAM (2010) entre 2000 y 2007 se contaba con una deforestación de aproximadamente 300,000 ha por año. La causa principal de la deforestación es la colonización de nuevas áreas, inclusive por actividades de pequeño y mediano tamaño. En algunas áreas también la tala de bosque para la conversión en cultivos ilícitos es un factor importante. La tala a pequeña escala es la causa más importante de la degradación de bosques (Traffic, 2013). Las comunidades indígenas y afrocolombianas son dueñas de más del 60% del bosque.

El Gobierno de Colombia (GdC) no ha (o tal vez aún no ha) decidido por iniciar negociaciones por un Acuerdo Voluntario de Asociación (AVA) con la Unión Europea (UE). Sin embargo se ha trabajado sobre una serie de actividades y proyectos en el ámbito del Plan de Acción FLEGT (PA FLEGT). En Colombia las actividades FLEGT iniciaron (2007) con el liderazgo de la Corporación Autónoma Regional de Risaralda (CARDER) en coordinación con el Ministerio de Ambiente y Desarrollo Sostenible (MADS). El Anexo 3 ofrece una visión general de proyectos FLEGT, sus actividades y logros. El Anexo 5 presenta “la línea de tiempo”, en el cual se han marcado los momentos más importantes del proceso FLEGT en Colombia, junto a algunos elementos generales de importancia FLEGT.

La misión

La preparación y la implementación de la misión (julio 22 – 29) contó con el apoyo logístico de la Delegación de la Unión Europea (DUE) en Bogotá, así como de la Corporación Autónoma Regional de Risaralda (CARDER) en Pereira y de Fedemaderas (Federación nacional de empresas activas en la producción, el procesamiento y el comercio de madera y productos maderables). Contó además con la disponibilidad de una gran serie de actores.

En preparación de y/o durante la misión se han desarrollado las siguientes actividades: a. briefing con representantes del Instituto Forestal Europeo (EFI), la Oficina Regional para Centro-América y el Caribe de la FAO en Panamá, la Comisión Europea (CE) y la Delegación de la Unión Europea (DUE) en Bogotá; b. entrevistas individuales o grupales con representantes del GdC, de la sociedad civil y del sector privado; c. estudio de documentos; d. visitas de terreno (manejo forestal certificado, empresas de procesamiento y de comercio, actividades de control y vigilancia). El Anexo 2 presenta el itinerario de la misión.

Actores principales

En conjunto con los representantes focales del EFI, la FAO, la CE y la DUE se identificaron una serie de actores principales por entrevistar. Estos incluyen representantes del GdC (MADS, CARDER, CVC), de los donantes (FAO, Banco Mundial, la Embajada de Suecia, ONF-Andina), del sector privado (Fedemaderas, empresas procesadoras y comerciantes de madera), y de la sociedad civil (Universidad Distrital de Bogotá, WWF, la Fundación Natura Colombia (FNC), la Corporación Aldea Global). El Anexo 1 presenta los actores identificados y contactados por la misión.

Temas específicos

Durante la preparación de la misión se han identificado los siguientes temas de interés específico para el contexto Colombiano: 1. El proceso de multi actores; 2. Posibles avances sobre los elementos para un SAL; 3. El comercio de madera (incluyendo el comercio con la UE y la relevancia y los efectos del EUTR; 4. El mercado nacional (incluyendo la relevancia de una política de compra responsable

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pública (PCRP); 5. madera de conflicto. Estos temas se desarrollan en los párrafos pertinentes de la Ayuda Memoria.

El Anexo 3 presenta los documentos revisados en el contexto de ésta misión. El Anexo 5 presenta los retos futuros, identificados por los entrevistados.

2. Hallazgos principales

EQ1 (relevancia): *Cuáles son los objetivos y metas finales del PA FLEGT, cómo fueron establecidos y cómo fueron relevantes para los problemas de los actores, prioridades y necesidades en la UE, estados miembros y países productores en 2003? Cómo la relevancia de los objetivos del PA FLEGT ha sido afectado por desarrollos externos desde 2003, y cómo será probablemente afectado en el futuro?*

Colombia, como otros países latinoamericanos, ha sufrido de la tala ilegal de árboles y de bosques. La meta nacional es acabar con la deforestación en 2020; en 2013 la deforestación todavía es estimada en 120,000 ha/año. Existe un alto índice de ilegalidad en el país estimada entre 38% (BM, 1985) y 42% (IDEAM, 2010). Según la CARDER (2013) permanece un alto nivel de ilegalidad diferenciado por las fases de la cadena forestal, así: a) aprovechamiento de bosque natural: 75%; b) transporte: 35%; c) acopio final (procesamiento y comercio): 19%.

Según MADS, generalmente es necesario el fortalecimiento de las capacidades de las Corporaciones Autónomas Regionales (CAR), quienes son los entes responsables a nivel departamental para la implementación de la política ambiental y el control pertinente, con el fin de implementar la legislación forestal de manera responsable y justa. Esto refiere a la capacidad técnica y operacional de los equipos de las CAR involucrados en el otorgamiento de permisos de tala y el control de aprovechamiento, transporte y procesamiento de madera. El número de funcionarios disponibles para hacer los controles pertinentes es generalmente limitado, una de las causas es la situación de orden público - debida al conflicto interno que se lleva a cabo durante unos cincuenta años - existen además condiciones específicas por las cuales el país cuenta con baja presencia de funcionarios públicos en varias zonas del país.

Se resalta la importancia del sector forestal en el sentido económico, especialmente por la generación de empleo (aproximadamente 750,000 puestos) y como elemento de trabajo sobre la equidad. Un aspecto por tener en cuenta es que las zonas más atrasadas del país coinciden con zonas forestales.

El sector forestal es además de importancia estratégica en el ámbito del diálogo de paz. Existe el riesgo de efectos negativos sobre la cobertura forestal dentro del contexto post-conflicto, en el caso que falta claridad sobre tenencia de la tierra, conciencia de actores y un sistema de control y vigilancia funcionando.

EQ2 (diseño): *Hasta qué punto la estrategia general de FLEGT, las siete Areas de Acción y las acciones relacionadas e instrumentos políticos han sido adecuadas para lograr los objetivos del PA FLEGT? Han habido omisiones importantes? En visto de los desarrollos externos desde 2003 y tendencias actuales, siguen siendo adecuados y lo estarán en el futuro?*

De las Areas de Acción (AA) del PA FLEGT sobretodo el AA1 (apoyo a países productores) ha sido relevante para el contexto Colombiano. Su diseño no ha causado problemas; tampoco se han identificado omisiones. El PA FLEGT y las oportunidades que ofrecen sus AA siguen siendo relevantes en el contexto actual y en un posible contexto futuro de post-conflicto.

EQ3 (efectividad): *Hasta que punto las intervenciones y medidas políticas dentro de las siete Areas de Acción han contribuido al logro de los resultados intencionados? Cuáles mecanismos, actores y factores han influenciado los niveles de logros y cómo se podría aumentar la efectividad de los AA?*

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Logros generales

En 2009, el Pacto Intersectorial para la Madera Legal en Colombia (PIMLC) fué firmado por 24 actores²⁶¹ del GdC, la sociedad civil y el sector privado. El PIMLC (o comunmente llamado “El Pacto”) tiene como objetivo asegurar que la madera extraída, transportada, transformada, comercializada y utilizada provenga exclusivamente de fuente legales. En 2011 el PIMLC fué ratificado por el Presidente de la Nación. Además éste tema ha sido vinculado a la agenda pública: “El Pacto” fué incluido en los Planes Nacionales de Desarrollo (2008 - 2013 y 2014 - 2018)²⁶², lo que demuestra que existe apoyo político al más alto nivel. El Pacto contribuye a crear y fortalecer una cultura forestal y una cultura legal, como resultante del Plan de Acción FLEGT.

Factores de soporte

Los logros han sido apoyados por el liderazgo del Comité Técnico del Pacto, la voluntad institucional (tanto del GdC como de las empresas) y por el soporte de los Planes Nacionales de Desarrollo.

Desafíos

La diversidad de comunidades y la gran diversidad de especies forestales en combinación con la falta de control, la falta de presencia y la corrupción hacen el contexto Colombiano bastante complejo.

Aunque existe el apoyo político en el más alto nivel, hay generalmente falta de presupuesto y falta de reconocimiento del papel económico potencial que pueda jugar el sector forestal. Esto se traduce en falta de incentivos y/o subsidios y/o otros instrumentos financieros/económicos (p.e. arreglos fiscales estimulantes) para la inversión en el sector forestal y la atribución del recurso. No existen incentivos para el manejo de bosque natural. Hace falta mayor posicionamiento del sector forestal en la agenda pública.

Aunque el PIMLC ha sido firmado por muchos actores, ésto no debe ser un fin en sí mismo. La pregunta más bien es qué se ha hecho. Puntos de crítica ventilados por ciertos actores incluyen que a. cada organización define qué quiere hacer; b. no existen mecanismos para exigir que las organizaciones cumplan con sus planes o para expulsarlas si no lo hacen; c. hace falta monitoreo de los avances.

El reto del Pacto es el mejor monitoreo de la ilegalidad. En gran parte del territorio un monitoreo efectivo aún es ausente o débil. A nivel nacional aún no existen datos confiables; las estimaciones de diferentes partes han utilizado diferentes metodologías, por lo cual no se pueden comparar.

AA1 (apoyo a países productoras)

- **Participación**

El tema de la tala y el comercio de madera ilegal en Colombia ha sido puesto sobre la mesa. Ahora se tiene un diálogo de actores en espacios comunes, es un tema de debate público. Se logró visibilizar toda la problemática de los bosques y de la madera ilegal. Una parte de los actores han sido sensibilizados y/o capacitados. Han habido actividades a nivel nacional y hay intercambios entre las Corporaciones Autónomas Regionales (CAR), responsables para el manejo del medioambiente a nivel departamental. Empresarios han sido concientizados mediante capacitaciones y ruedas de

²⁶¹ Hasta mediados del 2015 firmaron 72 actores del GdC, la sociedad civil y el sector privado.

²⁶² El Pacto ha sido involucrado en el nuevo plan de desarrollo “Todos para un nuevo país” (2015-2018) en la Estrategia 1: Conservar y asegurar el uso sostenible del capital natural marino y continental de la nación; en la acción de reducción de la deforestación, incluyendo entre otros las siguientes actividades: (1) promoción de la legalidad de la oferta y demanda de productos maderables, a través de la implementación del Pacto Intersectorial de la Madera Legal; (3) implementación de la Estrategia Nacional para la Prevención y Control al Tráfico Illegal de Especies Silvestres y de la Estrategia Nacional de Prevención, Seguimiento, Control y Vigilancia Forestal; (4) fortalecimiento de la gobernanza forestal y de la capacidad para la administración de Zonas de Reserva Forestal en el país; (5) implementación de la Estrategia Nacional de Reducción de Emisiones por Deforestación y Degradación (REDD+).

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negocios. Además se han realizado estudios puntuales (p.e. sobre el índice de ilegalidad), que ayudan a la construcción de elementos para el monitoreo y la concientización sobre la problemática.

Se ha desarrollado una estrategia de participación social. Entre muchos actores se ha trabajado sobre una definición de qué es “legal”. Los actores consideran que se han mejorado las relaciones entre el GdC, la sociedad civil y el sector privado. Además el trabajo coordinado ha dado oportunidades como la unificación de criterios técnicos (dando una base para un sistema de trazamiento y control y vigilancia nacional), la unificación de criterios jurídicos (p.e. resultando en normas para carbón y guadua) y la revisión de la normatividad (el análisis crítico realizado frente a la normatividad del país resultó en una propuesta unificada, como insumo de política pública, para ajustar el decreto 1791).

Se debe hacer un mayor esfuerzo por garantizar la participación activa de las comunidades en general. Lograr una participación real y efectiva a nivel de las comunidades en áreas forestales requiere que se tenga en cuenta el orden público y alternativas económicas. El proceso de consulta y participación social requiere ser fortalecido teniendo en cuenta la etapa de “post-conflicto”.

Se requiere mayor participación de las comunidades étnicas en El Pacto. El proceso de consulta previa bien informada y participativa requiere ser reforzada. Todo lo que se hace con comunidades étnicas requiere de consulta previa. Aunque han estado participando, hace falta definir una estrategia de participación y un esfuerzo importante estratégico, participativo y correcto por involucrarlas.

- **Verificación de la legalidad**

Se han desarrollado 11 herramientas de reconocimiento de la legalidad (4 protocolos, 2 aplicaciones digitales (CubiMadera²⁶³, Especies Maderables²⁶⁴), 4 estándares, 1 guía de compra responsable).

Se ha desarrollado una estrategia de control y seguimiento incluyendo a varios actores del gobierno. Como consecuencia, la coordinación y cooperación ha mejorado entre ministerios del GdC, las CARs, el Instituto Colombiano Agropecuario (ICA)²⁶⁵ y otros como la policía nacional, el ejército y la fiscalía. Se ha desarrollado un sistema de trazabilidad (“SAL criollo”), respetando la soberanía del país. También se ha introducido (2014) una nueva regla para el transporte de madera, que no permite la movilización entre las 18.00 p.m. y las 6.00 a.m. ni durante los fines de semana y días festivos.

Los avances FLEGT están enfocados sobre todo en 11 departamentos²⁶⁶; faltan 22 departamentos y 9 entidades por cubrir el país. La capacidad de los entes territoriales es limitada en ciertos departamentos. Además la situación de orden público afecta la presencia del estado y el funcionar del sistema de seguimiento y control en ciertas zonas. El avance de las CAR se diferencia mucho y varía de la capacidad de las mismas. Se requiere nivelar entre las CAR el nivel de entendimiento y operabilidad y avance en la lucha contra la ilegalidad, introduciendo y aplicando las herramientas y estrategias desarrolladas y validadas hasta la fecha.

²⁶³ La “Cubimadera” es una aplicación digital que ayuda calcular (“cubicar”) el volumen de madera, p.e. en el transporte, de manera ágil y con bajo riesgo de fallas por personas, no necesariamente expertos forestales, tales como policías y personal del ejército en puestos de control.

²⁶⁴ La aplicación “especies Maderables” permite personal de control y vigilancia el acceso a una base de datos que ofrece información detallada (incluyendo imágenes) de la estructura anatómica de especies maderables. Esta se aplica en combinación con una “lupa digital” que apoyada por un computador portátil (“lap-top”) produce imágenes de la madera controlada. Puede ser aplicada, p.e. en puestos de control por personal no especializado.

²⁶⁵ Mientras que las CAR son responsables para el control y seguimiento del aprovechamiento del bosque natural y para otorgar los salvoconductos (=permisos de transporte) para la madera cosechada, de manera similar el ICA trata con las plantaciones forestales y sus formularios de movilización. Cada departamento tiene oficina de ICA y de su CAR respectiva.

²⁶⁶ Los departamentos involucrados hasta la fecha han sido, inicialmente: Risaralda, Quindío, Tolima y Norte de Santander (fase 1; 2007-2010) y posteriormente se vincularon Nariño, Valle de Cauca, Cauca, Caldas, Chocó, Antioquia y Urabá (fase 2; 2010-2015).

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Según los actores entrevistados la normatividad vigente se ha vuelto obsoleta²⁶⁷; existe una necesidad de actualizarla, para que haya una norma aplicable a la nueva realidad. La definición de "legalidad" requiere ser continuada y concluida. Hay además una falta de claridad sobre la titularidad de la tenencia de tierra (formalizada) en predios baldíos en gran parte del país, que debe ser solucionada.

El control y la vigilancia aún son débiles en el país. El monitoreo de la ilegalidad requiere de una metodología unificada, para facilitar el entendimiento y la comparación entre actores y departamentos. El sistema tributario (DIAN) está perdiendo billones de pesos (millones de euros) por falta de un buen control. La corrupción es considerada endémica y, según varios actores, es el más grande desafío.

El SAL propuesto es considerado un muy buen sistema, pero su introducción requiere una decisión política traducido en una Resolución o un Acto Administrativo firmado por el Ministro.

- **Capacitación**

Existe la necesidad de continuar la capacitación a un gran grupo de usuarios. Esto puede contribuir a generar dudas sobre la sostenibilidad financiera para continuar el proceso.

AA2 (comercio de la madera)

- El comercio de madera en Colombia es sobre todo doméstico. Según ITTO, de la producción anual nacional de madera (estimada para el período 2004-2009 en 2.3 M m3 por año) el 80% procede del bosque natural y el 20% de plantaciones. ITTO estima la producción de madera rolliza en 2011 en 3.55 M m3, de los cuales 1.23 M m3 fueron clasificados como maderas suaves y 2.32 M m3 como maderas duras (se supone que la última categoría incluye 0.5 M m3 de eucalipto).
- Según Oliver (2013) la mayoría de los productos maderables exportados consisten en papel (82% de los US\$ 512 M exportados en 2012); su destinación es regional (Peru, Ecuador y Venezuela). Por lo demás en 2012 Colombia exportaba US\$ 94 M de productos maderables sólidos (bajó de US\$ 150 M en 2007), distribuidos como sigue: US\$ 49 M en muebles de madera, US\$ 10 M en tableros, US\$ 9 M en rollizas, US\$ 6 M en molduras, US\$ 5 M en contrachapadas, US\$ 4 M en madera aserrada y US\$ 3 M en carpinterías. La UE es un mercado de menor importancia, sumando un valor de exportación de solamente US\$ 10 M en 2012 (bajó de US\$ 11 M en 2007, pero incrementó con US\$ 5 M comparado con 2010). En 2012 la importación de la UE desde Colombia consistió por 68% de papel y 32 % de madera sólida. Las destinaciones más importantes a la UE son España, Portugal y Francia. Tabla 1 presenta una indicación de la exportación de productos maderables a la UE, especificada por tipo de producto en 2012.

Tabla 1. Destinaciones principales y datos de exportación a la UE de productos maderables Colombianos en 2012 (Fuente: Oliver, 2013)

Producto	Destinación principal 2012	Exportación a UE-27 2012	Observaciones
Rollizo	India (80%); China (18%)	No significativa	Incluye principalmente teca de plantaciones
Madera aserrada	India, China, Panamá,	US\$ 0.32 M (< 500 m3)	

²⁶⁷ En septiembre de 2008 se cayó la Ley General Forestal del país (No. 1021 de 2006) porque no se había hecho la consulta previa con comunidades. En 2010 se aprobó una nueva Ley para el sector forestal comercial (No. 1377); ésta Ley cayó en 2011, porque no se había publicado correctamente. Desde ahí, no se ha logrado aprobar ni preparar una nueva propuesta para una Ley Forestal, con el efecto que en la actualidad tienen vigencia leyes anteriores, que son obsoletas en varios aspectos.

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	otros regionales		
Molduras	Venezuela, Mexico	1,500 m3	
Tableros de partículas	Panamá, Venezuela, Costa Rica, Ecuador, otros regionales	cero	
Contrachapadas	Venezuela, Puerto Rico	cero	
Carpinterías	Panamá, Venezuela, Puerto Rico	No significativa	
Muebles	Panamá, Venezuela, EEUU, Perú, Ecuador, otros regionales	US\$ 1 M	Exportación a la UE es estable durante 5 años
Pulpa y papel	Ecuador, Venezuela, Perú	US\$ 6.8 M	

- Existen diferentes percepciones referente a la utilidad de un AVA, desde “arrancar lo antes posible” hasta “todavía no es oportuno”. Según la DUE un argumento en favor sería la oportunidad por incluir al 50% del territorio nacional que ahora cuenta con baja presencia del gobierno, sobre todo en los departamentos de Amazonía, Chocó y Magdalena Medio. Ciertos actores consideran que falta una estructura que junte las acciones puntuales y que tal vez un AVA podría facilitar tal estructura. Otros actores indican que mediante las acciones desarrolladas en el período 2007 – 2015 se ha logrado avanzar fuertemente con la preparación de elementos relevantes para un AVA, así: « aunque no fué la intención de trabajar sobre un AVA, hoy día estamos más cerca de condiciones que permitirán establecerlo ». Es de resaltar que muchos de los elementos y herramientas preparadas aún deben superar el nivel piloto que han tenido hasta la fecha y requieren de una distribución hacia los demás departamentos del país, junto a una campaña de concientización y capacitación, para facilitar la armonización de conceptos y experiencias de implementación.

El mercado doméstico

- Según la FAO el 60% de la madera producida en Colombia se utiliza en el mercado doméstico. Según Traffic (2014) el 80% de la madera usada en el mercado doméstico origina del bosque natural; el resto viene de plantaciones forestales²⁶⁸. Referente a la madera de bosque natural, en el mercado operan muchos “carteles” de madera ilegal. Comerciantes e intermediarios toman miles de millones de pesos (millones de €), mientras a las comunidades no les queda ningún beneficio.
- Hay unas pocas grandes empresas reforestadoras (> 100 empleados), como Smurfit Kappa, Refocosta y Pizano. Según el Ministerio de Comercio la mayoría de las empresas del sector madera y muebles son micro (1-10 empleados) y pequeñas empresas (11-50 empleados). Muchas se caracterizan por trabajo de manera individual, falta de formación y falta de tecnología. El Pacto les sirve como un instrumento para legalizar su cadena. Por lo demás hay empresas transformadoras medianas (51-100 empleados). En el mercado interno los productos más comercializados son: madera aserrada para la construcción, muebles y productos de papel²⁶⁹. Otro producto de importancia relativa es la guadua²⁷⁰.

²⁶⁸ Según Traffic (2014) existen 356,000 ha de plantaciones forestales comerciales en Colombia. Oliver (2013) indica que en 2010 existieron 405,000 ha de plantaciones forestales. Esto quiere decir que aproximadamente un tercio de las plantaciones forestales en Colombia está certificado según FSC.

²⁶⁹ Según el Ministerio de Comercio los productos de papel consisten en promedio por un 30% de pulpa nueva y 70% materia reciclada.

²⁷⁰ Según Mejía Gallón y Moreno Orjuela (2013) se estima que el área de guadua (*Guadua angustifolia*) en el país es aproximadamente 56,000 ha. De los 36,027 ha de guaduales en el Eje Cafetero el 85 % es considerado natural y el resto es plantado.

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Efectos del Reglamento de Madera de la UE (RMUE / “EUTR”)

- El EUTR no es muy conocido con los actores, salvo con los representantes activos del Gobierno en el contexto de FLEGT (MADS, CARDER) y de la sociedad civil (ONG, Universidad Distrital). Estos han leído sobre el Reglamento.
- Actualmente el mercado es sobre todo doméstico, por lo tanto no se sienten efectos de la EUTR. El EUTR no es muy conocido en el sector privado por falta de exportación hacia la UE. En algunas empresas existe la conciencia que pueda afectar el acceso al mercado de la UE, ofreciendo ventajas competitivas a empresas certificadas para el manejo forestal sostenible. Según algunos actores el “Lacey Act” ha tenido más atención por más exportación a los EEUU.

Importación de madera

- Actualmente no existen restricciones legales para la importación, de tal manera que existe el riesgo que se importa madera y/o productos maderables que contienen madera de origen ilegal. Esto pueda influir de manera negativa sobre los precios de productos en el mercado doméstico, por el valor reducido de los productos de origen ilegal que hacen una competencia desigual a los productos producidos en Colombia de manera legal. Por ejemplo la práctica de “dumping” de muebles baratos procedentes de China en el mercado Colombiano arriesga la sostenibilidad de existencia de productores nacionales que trabajan de forma legal. Una legislación que no permite la importación de materiales ilegales puede disminuir la competencia desigual por productos de origen ilegal.
- Este tema ha sido identificado y discutido a nivel nacional y se está planteando formular una propuesta de ley. Más aún, existe la idea de desarrollar una propuesta de ley tipo EUTR en el ámbito del Pacto Andino o del Mercosur, de tal manera que podría facilitar el control a nivel del continente y que tendrá mayor impacto en la lucha contra la tala ilegal a nivel mundial.

AA3 *(Política de compra responsable pública)*

- Se ha trabajado sobre una guía técnica de compras públicas, mediante una plataforma nacional. Se han definido requerimientos y procedimientos con apoyo de GIZ y está en proceso de ensayos pilotos mediante un proyecto FAO-FLEGT.
- Los diferentes actores consideran una política de compra responsable pública como un mecanismo de gran importancia para incentivar la legalidad en el mercado doméstico. Teniendo en cuenta que la mayoría de la producción de madera se consume en el mercado doméstico, una PCRPP bien desarrollada y aplicada puede volverse un instrumento relativamente efectivo por estimular la madera legal y/o sostenible.
- El Ministerio de Comercio ha establecido para la licitación de un proyecto, la condición que la madera utilizada sea legal. Fué un caso único, pero puede ser aplicada también en otros casos.
- WWF está promoviendo PPPs voluntarios a nivel de Gobernaciones (p.e. en la Amazonía) y a nivel de los participantes del PIMLC.

AA4 *(iniciativas del sector privado)*

- FEDEMADERAS está involucrada en la creación de conciencia y la capacitación de representantes de empresas referente temas de gobernanza forestal y desarrollo forestal sostenible, incluyendo la promoción de la certificación voluntaria.

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- El Proyecto “Promoción de la Certificación Voluntaria”, desarrollada entre FEDEMADERAS y la Fundación Natura Colombia, demostró la factibilidad de certificar a MiPyMEs.
- Según TRAFFIC (2014) a finales de 2013 aproximadamente 126 mil ha de bosque fueron certificadas según el estandar de FSC, además de 31 certificados de cadena de custodia (CdC). El sitio web de FSC confirma el número de certificados CdC a mediados del 2015, pero presenta un área total de 136,279 ha y especifica que 136.238 ha se refieren a plantaciones forestales y 41 ha a guadales; este último podría ser considerado como natural o semi-natural. Aún no hay otro tipo de bosque natural certificado en Colombia.
- Para el sector privado, los costos de certificación y la falta de auditores nacionales limitan la entrada de muchas empresas a sistemas certificados que promueven el cumplimiento con las normas legales y/o de manejo de bosque sostenible. El mercado es limitado y principalmente doméstico; por lo tanto una política de compra responsable pública puede ser un instrumento importante por estimular la legalidad y/o la sostenibilidad en la cadena forestal. Tiene sentido además sensibilizar al consumidor nacional final y al sector público sobre el tema de la legalidad, para promover la demanda por madera legal.

AA6 (*instrumentos financieros*)

- Salvo la propuesta de incentivo al MFS en Colombia, como parte del convenio No 476 de 2014 entre MADS y ONF Andina, que incluyó el análisis de ocho (8) instrumentos económicos, y la estructuración de dos (2) incentivos económicos para el MFS como parte del convenio No 280 de 2015 entre las mismas entidades, al parecer no se han desarrollado otras actividades relativas a éste área de acción.

AA7 (*madera de conflicto*)

- Durante el conflicto armado (el cual ha durado aproximadamente 50 años) ciertas zonas del país han sido despobladas y/o han estado bajo el control de grupos armados. Por lo general ésto ha inducido a la conservación y/o la regeneración del bosque (salvo donde se cambió la vegetación boscosa por cultivos ilícitos).
- Es posible que grupos armados utilicen los recursos maderables para generar ingresos. Según unos actores es poco probable que logren exportar madera y/o productos maderables. Según otros hay mucho tráfico ilegal de madera entre los países vecinos, aliados al narcotráfico y al tráfico de armas por grupos armados.
- La única área de acción que no es mencionada en el conversatorio del MADS sobre el PA FLEGT es el de madera de conflicto²⁷¹. Aunque la tematica parece relevante para el país, probablemente es una tematica sensible, por lo cual se evita tocarla. En el ámbito de la discusión sobre la situación post-conflicto, la posición de recursos naturales, especialmente bosques, es muy relevante. Es aconsejable desdibujar los escenarios y prepararse para la situación futura de tal manera que se evita la tala indiscriminada de bosque cuando la paz está firmada y el bosque se vuelve más accesible para la gente en general. Es posible que las negociaciones de paz incluyen aspectos de tenencia de tierra y derechos de uso de los

²⁷¹ No obstante, en 2015 la UE y MADS han organizado dos eventos sobre este tema: "Bosques y construcción de paz: Una oportunidad para el postconflicto" (20 de agosto/2015) y "Bosques espacio de empoderamiento para la paz" (23-25 octubre/2015). Si bien el tema de posconflicto se evita por parte de MADS, por las implicaciones políticas que tiene, el tema de construcción de paz si es parte de su discurso, en particular desde la aprobación del Plan Nacional de Desarrollo 2014 – 2018, ya que los ejes principales del mismo son: Paz, Equidad y Educación.

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RRNN. En este caso existe la necesidad que el uso será adecuadamente reglamentado y controlado, de tal manera que se evita su deterioro y/o perdida.

EQ4 (*gestión de la implementación y coordinación*): *Los elementos del PA FLEGT han sido implementados de manera balanceada, reforzándose y produciendo la sinergia esperada? Han habido omisiones o deficiencias en la implementación y el manejo del PA FLEGT, y cómo esto ha afectado su efectividad general?*

- Los actores más involucrados en la tematica de FLEGT, como los representantes de MADS, de la CARDER, de FEDEMADERAS y de las ONG involucradas en la implementación de proyectos FLEGT están concientes de los temas abarcados por las diferentes áreas de acción. Lógicamente se ha dado una priorización a temas considerados de relevancia relativa para el contexto de Colombia, pero mirando los temas específicos de los proyectos y los convenios del MADS, existe la impresión que se está avanzando de manera coordinada en la amplitud del PA FLEGT. No han habido omisiones o deficiencias significantes; al contrario, parece que el contexto del PA FLEGT presenta una flexibilidad por abarcar los temas de interés y relevancia específica para Colombia.
- Mientras que la coordinación con ciertos ministerios ha mejorado, falta involucrar más al Ministerio del Interior (en relación a la actualización del sistema judicial), y a los Ministerios de Comercio y Educación. La división de competencias entre las entidades del GdC (Ministerios) requiere clarificaciones. Además actividades relacionadas a FLEGT todavía no están incluidas en otras entidades del Sistema Nacional (SINA).

EQ5 (*logro de objetivos*): *En qué medida los objetivos del PA FLEGT han sido logrados o tienen tal probabilidad? En qué medida y cómo las acciones FLEGT han contribuido a estos logros, y en qué medida logros resultaron de otros instrumentos y tendencias? cuáles actores, factores y mecanismos están afectando el impacto del PA FLEGT AP? Cuáles actores se han beneficiado y cuáles no?*

- **Gobernanza forestal**

Según muchos actores entrevistados la gobernanza forestal está mejorando. Esto se debe a una serie de factores, entre los cuáles se resaltan:

- a) Un creciente nivel de concientización y capacitación de actores del sector público y privado, resultando en un crecimiento del interés institucional y empresarial por hacer las cosas mejor. El Pacto ha facilitado definir el norte para los actores del sector.
- b) La introducción de tecnologías modernas, equipos, herramientas y procedimientos más ágiles, como producto de los proyectos FLEGT implementadas hasta la fecha. Muchos de éstos elementos han sido desarrollados, piloteados y validados y están en proceso de ser divulgados y/o distribuidos para su uso a mayor escala.
- c) Una implementación más efectiva, más frecuente, mejor coordinada y más estratégica de control y seguimiento. La coordinación entre las CAR conlleva a un entendimiento armonizado de conceptos técnicos e información que facilita un mejor control, que pasa sus territorios individuales. Las nuevas aplicaciones (“Cubimadera” y “Especies Maderables”) y tecnológicas permitan evitar respectivamente fallas en los cálculos de volúmenes y la identificación de especies de maderables, inclusive aquellas con efectos por las trampas normales de los transportadores, los cuales por complicar el control efectivo muchas veces ensucian la madera con barra, haciendola poco identificable. Además pueden ser aplicadas por personal no especializado, como la policía en puestos fijos y/o móviles de control. Tanto el Ejército como la Policía Nacional está demostrando su interés en su dotación y uso. Esto

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quiere decir que el control más efectivo con éstos equipos ya no se limita a los momentos que el personal de las CAR pueda dedicar su tiempo a operativos especiales, sino que el control y la vigilancia se vuelva más normal y frecuente.

- d) Se ha desarrollado una propuesta y varios elementos para implementar un Sistema de Aseguramiento de Legalidad (SAL), tales como 1) protocolos para a. la revisión y evaluación de planes de manejo forestal; b. el seguimiento y control a los aprovechamientos forestales en bosque natural; c. el seguimiento y control a la movilización de productos maderables y no maderables del bosque; d. el seguimiento y control a industrias y empresas de transformación o comercialización de productos forestales; 2) un sistema de trazamiento basado en códigos QR impresos en etiquetas autoadhesivas; 3) la introducción del salvoconducto único nacional; 4. la aplicación de tecnología moderna (GPS, dendrometros electrónicos, computadores portátiles, base de datos, dispositivos móviles para lectura de códigos QR, la lupa digital, las aplicaciones web, entre otros) facilitando información precisa, de tiempo real y con una muy baja margen de falla.
- e) La demanda por madera de plantaciones ha crecido y el precio ha aumentado, mejorando la conjuntura para la reforestación. Hay empresas que han cambiado sus proveedores y tipo de materia prima (desde origen del bosque natural a proveniente de plantaciones forestales certificados). Otros importan su materia prima de origen de bosque natural y de bosque certificado en otros países de la región, por estar seguros que son de origen legal y/o sostenible.

- **Reducción en la tala ilegal**

Más del 70% de la madera que se consume en el país es del bosque natural, pero no toda es legal.

Según los actores es muy arriesgado decir que la ilegalidad tiende a bajar, dado que aún no hay estudios que lo sustenten. Una prueba piloto que se realizó con 2 CAR para validar el modelo dió como resultado que la ilegalidad aumentó. Esto también puede ser el efecto del control más intensivo y de mejor calidad, por el cual se detectan más irregularidades. Del otro lado, según la CARDER la tasa de ilegalidad tiende a bajar en ciertos departamentos más avanzados.

Se están dando los primeros cambios en la percepción de los ilegales de tipo: "la cosa se complicó, es mejor andar por la línea". Durante la misión se tuvo la oportunidad de acompañar al equipo de CARDER durante un operativo de control en un punto estratégico. Pasaron transportadores de madera que habían escuchado que las autoridades aplican nuevas tecnologías que les permiten identificar las especies maderables con certeza. Se notó la cooperación con y el interés de la policía en la aplicación de la tecnología moderna.

Aunque hay generación de datos más concretos y completos para facilitar la toma de decisiones, se debe resaltar que existe un vacío que se requiere llenar con la aplicación de indicadores que permitan identificar avances o retrocesos en el tema. Es necesario que se aplique una metodología única para el monitoreo de la ilegalidad y que se implemente un monitoreo con la frecuencia adecuada.

- **Reducción en la oferta de madera ilegal en la UE**

Este objetivo parece poco relevante en el caso de Colombia, dado que la exportación de productos maderables a la UE es muy limitada. Parece además que una parte importante de los productos exportados a la UE se refiere al producto certificado FSC o productos no cubiertos por el EUTR.

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EQ6 (Otros, logros emergentes): *Cuáles otros resultados emergentes, no esperados, impactos y efectos colaterales, sea positivos o negativos, han sido causado por las acciones FLEGT (incluyendo la EUTR)? Quiénes se beneficiaron y quiénes no, y mediante cuáles mecanismos?*

- El PA FLEGT facilita una red no formalizada de expertos regionales y lleva a nuevas estrategias regionales, como la de un Reglamento Latinoamericano para la Madera Legal, tipo EUTR.
- La coordinación mejorada entre actores lleva a nuevas iniciativas, tales como el evento que se organizó en Agosto de 2015 sobre "FLEGT y la situación post-conflicto". Esto no se daba antes del PA FLEGT.
- Existe interés por aprender de las experiencias de Colombia, resultando en intercambios con Peru, Ecuador, Panamá, Honduras y México y en el fortalecimiento de la cooperación Sur-Sur.
- Se empieza a identificar el sector forestal en el nivel regional como sector con posibilidades de desarrollo.
- Se ha logrado mayor credibilidad de la CARDER, lo que es especial en un ambiente de muchas críticas a las CAR en el país por tener imagen de corruptas. El Director de la CARDER tiene un compromiso por continuar el apoyo político, financiero y operativo al PA FLEGT.

EQ7 (contribución hacia los objetivos más altos): *En qué medida el PA FLEGT ha contribuido a sus objetivos más altos en los países socios? Cómo se han logrado estos beneficios, y cómo se podría promover la contribución del PA FLEGT a esos objetivos? Cómo podrían buenas prácticas de FLEGT generar trabajo en otros sectores?*

▪ Manejo forestal sostenible

En el contexto de acciones FLEGT en Colombia se ha resaltado mucho el enfoque del manejo forestal sostenible. Esto se evidencia p.e. por los documentos técnicos (el protocolo para la revisión de planes de manejo forestal, la guía para la producción de guadua) y en acciones como el proyecto de certificación forestal voluntaria que fué netamente enfocado a lograr la certificación de MFS según FSC en vez de un enfoque al nivel más bajo de legalidad. Este proyecto demostró que es factible certificar MiPyMes en Colombia. Hay otras iniciativas que trabajan sobre la certificación de bosques comunitarios. Aún no se ha logrado certificar unidades de manejo forestal de bosque natural.

▪ Lucha contra la pobreza

No se ha enfocado este tema directamente mediante acciones FLEGT. Sin embargo la estrategia de participación social y el enfoque en legalidad de manera indirecta tendrá efectos por el nivel de consulta de las comunidades étnicas y campesinas, conceptos de equidad y en casos puntuales sobre aspectos laborales como condiciones de trabajo, seguridad personal, contratos, niveles de pago y de seguro social, entre otros. La implementación de un SAL y un AVA podría empujar tales efectos a gran escala.

Además, como resultado de las acciones FLEGT, la UE incluyó el programa "Desarrollo Local Sostenible en Zonas Marginadas de Colombia" en su programación bilateral 2014-2017 (€21.5 M a ejecutar entre 2015-2019). Este programa tiene un muy fuerte componente forestal, como alternativa para mejorar las condiciones de vida de los pobladores de estas zonas.

▪ Desarrollo sostenible

Existen lazos con programas más amplios, como el programa de REDD+, la cual para su buen desempeño requiere de una gobernabilidad forestal mejorada. El nuevo programa bilateral de la UE

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con Colombia (2015-2019) tiene un carácter más integral (“Desarrollo local sostenible en zonas marginadas de Colombia”) pero incluye un elemento importante de mejoramiento del sector forestal. Mediante la Mesa de gobernanza desarrollada por FLEGT, se dan nuevas oportunidades por un desarrollo más sostenible entre donantes.

EQ8 (eficiencia): *En qué medida las acciones FLEGT por la UE, los Estados Miembros y los países socios han sido costo-efectivo e instrumentos adecuados por lograr los objetivos FLEGT?*

- La percepción general de actores del sector es que en Colombia se ha logrado mucho en el contexto de FLEGT con pocos fondos. Esto se debe a varios factores y mecanismos que buscan la eficiencia, como: a. acuerdo de conceptos técnicos unificados, de criterios, protocolos y procedimientos; b. el uso eficiente de fondos para el desarrollo de tecnologías innovativas; c. el enfoque en suministro local (materiales, servicios); d. mejor coordinación y cooperación interna entre organizaciones del GdC y entre otras organizaciones gubernamentales, del sector privado y de la sociedad civil; e. una muy buena cooperación entre la UE, EFI y la FAO.
- Según los datos generados por la encuesta de la UE y los Estados Miembros (2015; ver Informe Principal de la Evaluación PA FLEGT) se estima el monto invertido en FLEGT por la UE, EM y de otras fuentes aproximadamente en € 18 M entre 2003 y 2014. Teniendo en cuenta que inició efectivamente en 2007 con un proyecto en 4 departamentos, que en la actualidad aún falta integrar una parte importante del país, que aún se debe probar el SAL y que se está iniciando un monitoreo más armonizado, aún es temprano para cálculos de costos y beneficios. No obstante se tiene la impresión cualitativa que se ha estado avanzando por un rango amplio de temas y subtemas relevantes al FLEGT y al MFS, preparando muchas herramientas necesarias y creando un ambiente más apto, de tal manera que se ha logrado mucho con el presupuesto disponible.

EQ9 (sostenibilidad): *En qué medida es probable que los mecanismos y sistemas FLEGT y sus impactos positivos se sostienen y durante cuál período de tiempo? En qué medida los problemas tratados por intervenciones FLEGT continuarán requiriendo acción a nivel de la UE, y cuáles podrían ser las consecuencias de paralaras? Cuáles factores y condiciones estimulan la sostenibilidad de resultados FLEGT? Cuáles son los lazos, efectos indirectos o sinergias de acciones FLEGT con procesos multi-laterales más amplios, tales como UNFF, iniciativas internacionales como el Acto Lacey de los EEUU o el mecanismo UN-REDD?*

- Asumir FLEGT en perspectiva de la situación post conflicto es sumamente importante para la sostenibilidad de lo logrado. Otros temas esenciales en este sentido, son el ordenamiento territorial y la oferta de alternativas productivas. Si no se prepara de una manera adecuada para atender la situación post-conflicto el bosque pueda tener impactos negativos, como la deforestación incontrolada por conversión de uso de la tierra, especialmente en zonas con baja presencia del estado. Algunos actores consideran que el mismo conflicto armado ha tenido un efecto conservador en las zonas de conflicto, porque ha evitado actividades económicas alternativas de mayor escala.
- EL MADS está trabajando sobre iniciativas tributarias para incentivar al desarrollo forestal sostenible del bosque natural. También existe el CIF para la inversión en nuevas plantaciones forestales, el cual es promovido por el Ministerio de Agricultura.
- Es claro que queda mucho por hacer en el contexto FLEGT en Colombia, que falta incluir una gran parte del país de manera activa en éste reto y que faltan muchos funcionarios del estado tanto como representantes de MPyME, ONG locales y comunidades étnicas y

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campesinas por concientizar y capacitar. Si se detienen las inversiones para el mejoramiento de la gobernanza forestal, tal vez solo quedarán los mejores que ya han sido desarrollados y validados en las zonas del país involucrados activamente hasta la fecha. Sin embargo parece que la gente involucrada es entusiasta y convencida que el camino que se esta siguiendo por el momento es el correcto y que les va a ayudar a lograr una mejor gobernanza forestal, un mejor manejo del recurso forestal una mayor contribución al sistema tributario y mejores condiciones de comercialización, así como la excelencia empresarial y tal vez nuevas oportunidades para el desarrollo del sector forestal, incluyendo de manera más equitativa a la población en las zonas aisladas forestales del país.

- Por el momento se está continuando la planificación de actividades relativas al PA FLEGT :
- a) La UE ha ofrecido apoyo para el período post-conflicto (€50 M ; aunque los detalles están aún por definir, MADS ha indicado su interés por acordar una contribución importante para medioambiente con el afán de reforzar actividades relevantes para la gobernanza forestal).
- b) Un nuevo programa bilateral de la UE con Parques Nacionales (bajo MADS) enfoca en el “desarrollo local sostenible en zonas marginadas de Colombia”. El programa incluye el mejoramiento del sector forestal. Aporte UE: € 20.8 M; contrapartida nacional: € 0.7 M.
- c) El apoyo de la UE incluye además un convenio entre MADS y ONF para €16M (2016-2019) que cuenta con contrapartida nacional de € 6.4 M.
- d) Varios EM (p.e. Holanda) han ofrecido su apoyo continuado. Queda claro que en vista del período post-conflicto aún no es el tiempo de retirarse para la UE, los EM y otros donantes.
- e) El título del Acuerdo de Comercio bilateral no solamente enfoca en comercio, sino también en aspectos de legalidad y de manejo sostenible del bosque.

EQ10 (coherencia y valor agregado): *Cómo se ha buscado la coherencia y complementariedad por FLEGT? En qué medida las acciones FLEGT han complementado, duplicado o vulnerado otras políticas, estrategias y programas de la UE, Estados Miembros y otros donantes, y cómo estas interferencias han sido manejadas? En qué medida la acción de la UE bajo el PA FLEGT agrega valor a lo que había resultado de intervenciones por Estados Miembros en el mismo contexto?*

- Según varios actores FLEGT ha tenido un claro valor agregado dado que les ha llevado al punto donde están ("sin FLEGT nada había tenido avance en el tema"; "Sin PA FLEGT estuvieramos ahora en condiciones de 1996"). Otro aspecto que mencionan es que sin FLEGT no hubiera coordinación entre entidades territoriales vecinas y menos habría una armonización de conceptos, métodos de medición, protocolos de control, etc, lo que complicó un seguimiento y control efectivo. Consideran que gracias a las acciones desarrolladas FLEGT causó el encadenamiento de todo un proceso de gobernanza forestal. Además FLEGT facilitó la congruencia de los actores del sector en un único espacio de discusión.
- No se ha podido identificar duplicaciones o contradicciones con otras políticas de la UE, EM o otros donantes. FLEGT ha complementado otras actividades, como el del programa de REDD+, que también requiere de gobernanza forestal mejorada.
- Un tema considerado positivo por los actores (reunión de cierre) es el Acuerdo comercial de la Unión Europea y Colombia que abre posibilidades para la exportación.

3. Conclusiones y Recomendaciones mas importantes

Conclusión 1:

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Desde el inicio de las actividades en el marco del PA FLEGT (2007) se han logrado avances significativos en la concientización sobre el tema, el apoyo político, la coordinación entre actores, la unificación de conceptos y el desarrollo de métodos e instrumentos tecnológicos que faciliten el control efectivo. Lo anterior se evidencia por la firma del Pacto Intersectorial por la Madera Legal en Colombia (PIMLC) por más que 70 entidades (hasta mediados de 2015), su ratificación por el señor Presidente (2012), su integración en los Planes Nacionales de Desarrollo de 2010-2014 y 2014-2018, la definición de estrategias de vigilancia y control y de participación, los proyectos de varios actores bajo la coordinación del MADS, relaciones mejoradas entre el GdC, el sector privado y la sociedad civil, la coordinación mejorada entre entidades del GdC, el concepto de “legal” desarrollado entre actores, la unificación de conceptos técnicos y jurídicos, la disponibilidad de métodos y herramientas prácticas como las aplicaciones web para “cubicación” y “especies maderables”, entre otros.

Como efecto de lo anterior los entes responsables se sienten reforzados y motivados en la ejecución de sus deberes y se vuelve más efectivo y frecuente el control. Los actores están muy positivos sobre los logros del PA FLEGT y consideran que sin el mismo no hubiera cambio. Al mismo tiempo se dan cuenta que muchos de los avances aún requieren estar completados, validados o multiplicados y que hay que hacer esfuerzos adicionales significativos para cubrir todo el territorio nacional y toda la cadena forestal de manera integral, teniendo en cuenta la integración más fuerte de actores adicionales.

Recomendación 1:

- *Aplicar las herramientas y estrategias validadas hasta la fecha en todas las CAR, para facilitar un control efectivo a nivel nacional.*
- *Enfocar la problemática de la corrupción y las pérdidas tributarias significativas mediante el control estratégico, la aplicación estricta de las leyes, un marco penal fuerte y transparencia al público. Al mismo tiempo recalcar a los tomadores de política que con relativamente poca inversión en sistemas de control se puede evitar la pérdida de montos tributarios significativos.*

Conclusión 2:

La tala ilegal de bosque natural es un problema en Colombia y es estimada alrededor del 40%. Dado que aún hace falta un monitoreo unificado, es arriesgado concluir que la tala y/o el comercio ilegal ya está disminuyendo como efecto de las acciones FLEGT. Sin embargo parece que se está volviendo cada vez más complicado engañar el sistema y sus controles pertinentes y en general los actores perciben que la gobernanza forestal está mejorando; hay indicaciones que los ilegales sienten la presión.

Recomendación 2:

- *Unificar metodologías e indicadores a nivel nacional para facilitar el monitoreo de la tala y el comercio ilegal.*

Conclusión 3:

La normatividad vigente requiere ser actualizada, para ser aplicable a la nueva realidad. Entre otros hace falta la claridad sobre tenencia/titularidad de la tierra formalizada en gran parte del país.

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La definición de “legalidad” requiere ser completada mediante consulta previa con las comunidades étnicas. Aunque han estado participando, hace falta definir una estrategia de participación. Hay que hacer un esfuerzo importante estratégico, participativo y correcto.

Es un reto lograr la participación real y efectiva a nivel de las comunidades en áreas forestales, teniendo en cuenta el orden público y alternativas económicas. La presencia y capacidad de las CAR es especialmente limitada en zonas forestales con problemas de orden público.

Recomendación 3:

- *Fomentar la actualización de las normas forestales y completar la definición participativa de que es legal.*
- *Poner en marcha los procesos de consulta previa con las comunidades étnicas y de actualización de la normatividad con la anterioridad posible, con el fin de crear claridad sobre tenencia de tierra, la definición de “legal” y otras condiciones específicas.*
- *Promover el desarrollo de alternativas económicas forestales para las comunidades económicamente más vulnerables en zonas forestales alejadas, para su aplicación durante el período post-conflicto, de tal manera que se disminuya el riesgo de tala ilegal y/o el cambio de uso de suelo/la deforestación.*

Conclusion 4:

Actualmente el mercado es sobre todo doméstico (60%); un porcentaje insignificante es exportado a la UE, por lo tanto no se sienten efectos del RMUE (EUTR) el cual es poco conocido en Colombia. En algunas empresas existe conciencia que pueda afectar el acceso al mercado UE.

Al mismo tiempo, se nota que el sector privado se concientiza y avanza con la certificación forestal (FSC), principalmente relativo al procesamiento y comercio de productos de origen de plantaciones certificadas, de plantaciones forestales o de maderas certificadas importadas. Según un estándar para el manejo sostenible de bosque, aún no existe bosque natural certificado.

Recomendación 4:

- *Promover la aplicación de una política (o ley) de compra pública responsable para promover la compra de madera legal y/o sostenible para cualquier proyecto público. Al mismo tiempo concientizar al sector público y al consumidor nacional.*

Conclusión 5:

El sector forestal aún no es suficientemente reconocido como sector con potencial económico. Hacen falta insumos para la inversión y mecanismos tributarios que faciliten el manejo sostenible del bosque natural. Teniendo en cuenta el potencial del sector forestal por generar empleo y contribuir al PIB, su importancia estratégica en el ámbito del proceso de paz, las estimaciones de tala ilegal (alrededor del 40%) y las pérdidas tributarias, se considera relevante promover la producción de madera legal y/o sostenible mediante actividades FLEGT en Colombia.

Recomendación 5:

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- *Enfocar el desarrollo de mecanismos de apoyo al sector forestal (subsidios para inversión, ventajas tributarias), reconociendo su papel económico potencial en vista de la generación de empleo y contribución al PIB, bajo condición de manejo sostenible para bosque natural.*
- *Facilitar el acceso de MiPyMES a información y capacitación para lograr su cumplimiento con la normatividad y/o a la certificación forestal.*

Conclusión 6:

Las intervenciones FLEGT en Colombia no se enmarcan en un proceso AVA. Se ha avanzado sobre un rango amplio de temas y se ha logrado un gran avance con relativamente poca inversión. Tanto la UE como varios donantes han expresado su interés por continuar su apoyo ántes y durante la fase post-conflicto. Con el apoyo político y la contrapartida nacional existe una base por adelantar las acciones FLEGT a nivel nacional. El Acuerdo de Comercio Bilateral (UE-GdC) también da lazos con la legalidad y el manejo forestal sostenible. Algunos actores indican que existen muchos elementos que serían relevante para un AVA. Otros consideran que falta un mecanismo para estructurar los elementos y que un AVA talvez podría ofrecer tal estructura.

Recomendación 6:

Abordar, entre todos los actores, una discusión sobre los pros y los contras de un AVA o de un mecanismo alternativo que sirva para adelantar y estructurar las actividades FLEGT en el contexto Colombiano.

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Anexo 1 Itinerario de la misión a Colombia

Date	Time		Place	Activity
Th 02/07	Morning		NL	Preparation SH list and preliminary planning
Mo 20/07	All day		NL	Preparation (reading, planning, methodology, practical)
Tu 21/07	Morning			Departure from The Netherlands
	Afternoon			Reading
	Evening			Arrival Colombia
We 22/07	Morning		BO; EUD	Briefing with EUD FLEGT Focal Point, Johny Ariza
			BO; EUD	Check of preliminary agenda with Ingrid Nyman (confirm meetings, visits)
			BO	Arrange phone card
			BO	Interview FAO (Blady Nhaydu Bohorquez)
	Afternoon		BO	Interview Min. of Agriculture (Marlene Velasquez)
			BO	Interview Min. of Trade (Edith Urrego)
	Evening		BO, town	Interview Gommert Mes (forestry consultant)
Th 23/07	Morning		BO, EUD	Interview EUD (Johny Ariza)
			BO, EUD	Interview WWF (Miguel Pacheco)
			BO, EUD	Interview Universidad Distrital (Jose Miguel Orozco)
			BO, EUD	Interview FNC (Leiber Penalosa)
	Afternoon		BO	Interview FEDEMADERAS (Alexandra Ospitia)
			BO	Interview/visit to Artecma (SME)
			BO	Group interview/visit to Maderformas and Omega Triplex (SMEs)
	Evening		BO	Meeting Board Members FEDEMADERAS
Fr 24/07	Morning			Flight to Pereira (6.30 – 7.30 a.m.)
			PE, Carder	Meeting Executive Director CARDER (Juan Manuel Alvarez)
			PE, Carder	Presentations CARDER FLEGT team
			PE, town	Lunch meeting CARDER (Ruben Dario Moreno)
	Afternoon		PE, Carder	Group discussion CARDER FLEGT team (Nelson, Juliana Zuñiga, Edy ...,
	Evening		PE, hotel	Reading, processing info
Sa 25/07	Morning		La Marina	Field visit timber control operation CAR in Risaralda; interview CARDER staff (and police (
			La Virginia	Field visit to CAV, confiscated timber deposit (attended by Humberto Henno); demonstration innovative equipment for timber identification
			Dosquebradas	Field visit to timber deposit Agencia Supermadera Narces Vicente Lopez
	Afternoon		PE	Field visit to timber deposit Trujillo Madera & Materiales (Otto Trujillo)
			PE	Meeting with Ruben Dario Moreno
	Evening			Travel from Pereira - Armenia (by car)
Su 26/07	Morning		AR	Meeting with team Corporacion Aldea Global (Doralice Ortiz, Martha Soraya Vargas)
	Afternoon		AR	Reading

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	Evening			Travel from Armenia - Pereira (by car)
Mo 27/07	Morning		Risaralda	Field visit to Comfamiliar (Juan Guillermo Jaramillo; Omar Cañas, Ubeimar Torro)
			Risaralda	Field visit to Yarima (Lucia Mejia; Joaquin Machado); interview Corporacion Guadua (Lucia Mejia)
	Afternoon			Travel to Valle del Cauca – Cartago (by car)
			Cartago	Meeting team CVC (Alfonso Pelaez, Duer Arredondu, Alexander Aldana)
				Travel from Cartago – Pereira (by car)
	Evening			Flight to Bogotá (9.00 – 10.00 p.m.)
			BO, hotel	Preparation SH reflection meeting
Tu 28/07	Morning		BO, EUD	Meeting with donors: Miguel Pineda (WB), Thomas Andersson (Embassy of Sweden), Marion Chesnes (ONF Andina), Gabriel Chavez (FAO), Nhaydu Bohorquez (FAO), John Castenada (APC), Johny Ariza and Ingrid Nyman (EUD).
			BO, town	Lunch meeting with Johny Ariza, Jose Luis de Francisco (EUD) and John Castenada (APC)
			BO, EUD	analysis
	Afternoon		BO, MAD	Meeting with Ministry of Environment (Lilian Mondragon, Laura Catalina Franco, Carlos Garrid Rivera, Alejandra Ruiz Diaz, Luz Stella Pulido)
	Evening		BO, hotel	Preparation SH reflection meeting
We 29/07	Morning		BO, hotel	Preparation SH reflection meeting
			BO, EUD	SH reflection meeting
	Afternoon		BO, EUD	Debriefing, Johny Ariza
	Evening			Travel to NL
Th 30/07			NL	Arrival NL
Fr 31/07			NL	Reporting

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Anexo 2 Visión general de proyectos FLEGT y sus actividades en Colombia

- En el período 2007 – 2014, el apoyo ha sido recibido de parte de la UE y Estados Miembros (EM). El apoyo directo recibido de parte de la UE y los EM aumenta a €8.3 M (Encuesta 2015 UE). Se estima el apoyo indirecto (actividades regionales) para éste período en €0.9 M y los aportes de otras fuentes (ONGs, otros donantes, sector privado) en €8.9 M. Las acciones desarrolladas en el marco del PA FLEGT han contado generalmente con apoyo y contapartida nacional.
- En Colombia la iniciativa FLEGT inició con el proyecto “Bosques FLEGT Colombia” (2007-2010), el cual fué liderado por la Corporación Autónoma Regional de Risaralda (CARDER) con el aval y acompañamiento del MADS e implementado conjuntamente con las CAR del Tolima (CORTOLIMA), Quindío (CRQ) y Norte de Santander (CORPONOR) contando como entidad socia a la Corporación Aldea Global. El proyecto (co-financiación por la UE €1,2 M) fué enfocado a la gobernanza forestal y tuvo como objetivo contribuir al manejo forestal sostenible y al incremento de la producción y comercialización de recursos forestales de pequeños productores en los cuatro departamentos. Se logró avanzar en la mejora de las condiciones de legalidad en el manejo forestal y el comercio de productos maderables y no maderables.
- Entre 2010 y 2015 se continuaba el proceso FLEGT con un nuevo proyecto “Posicionamiento de la Gobernanza Forestal en Colombia” coordinado por la CARDER e implementado entre once (11) CAR socias y la Corporación Aldea Global. (50% co-financiación por la UE €1,8 M). Su objetivo fué consolidar la gobernanza forestal en tres regiones del país, con participación de la sociedad civil, población indígena, afrocolombiana y campesina e instituciones públicas y privadas, relacionadas con la aplicación de la legislación y el comercio forestal, mejorando su nivel de incidencia en la reducción de la ilegalidad y la promoción de la gestión forestal sostenible.
- El proyecto “Certificación Forestal Voluntaria”, impementada por la ONG Fundación Natura Colombia en asociación con FEDEMADERAS (2010-2014), enfocando en la certificación de unos 60 micro, pequeñas y medianas empresas (MIPyMEs). Aunque este proyecto no alcanzó sus metas, demostró que la cerificación voluntaria FSC es posible en Colombia.
- El Programa “Gobernanza Forestal en la Amazonía” (2009-2013), implementada por ONF Andina, enfocando la gobernanza forestal en zonas de reservas campesinas y resguardos indígenas con el objetivo de lograr oportunidades de financiación REDD+.
- El proyecto “Implementación FLEGT UE” (2012-2014) entre Brazil, Colombia, Ecuador y el Perú, ejecutado por TRAFFIC y cofinanciado por UE-FAO-FLEGT (€1.3 M) IUCN, TRAFFIC y WWF (€0.3 M).
- Proyectos FAO-FLEGT (desde 2013): Se han recibido muchas propuestas (16), pero solamente se ha aprobado un proyecto con una cofinanciación de € 105.000. Además²⁷² el evento “Gobernanza, Trazabilidad y Comercio Forestal” organizado por TRAFFIC (2014), con participación del GdC, el sector privado y la sociedad civil, fué co-finaciado por FAO (€20,000) y EFI (€20,000).
- El MADS viene apoyando y promoviendo acciones relacionados con la aplicación de la legislación y gobernanza forestal como mecanismo para combatir el tráfico y comercio de madera ilegal. Entre las acciones que según el MADS han contribuido a la mejora de la gobernanza forestal se incluyen:

²⁷² Además, en Agostos 2015, un evento sobre FLEGT y post-conflicto ha sido co-financiado por la UE (€ 40,000), la FAO (€ 25,000) y EFI (€20,000).

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- a. El Pacto (PIMLC). Es un instrumento de control y fortalecimiento institucional que permite mejorar la capacidad de administrar los bosques a nivel local, regional y nacional facilitando la toma de decisiones a lo largo de la cadena forestal. A nivel regional se refleja en Acuerdos o Pactos departamentales, de los cuales se han firmados diez y siete (17).
- b. Mesas forestales. Son espacios de diálogo, coordinación y concertación para la ordenación, manejo, restauración, conservación y uso sostenible de los bosques, recursos forestales y servicios ecosistémicos, con la participación de actores locales, regionales y nacionales. Actualmente se cuenta con Mesas forestales en los departamentos de Chocó, Putumayo, Amazonas y Caquetá.
- c. Estrategia Nacional de Prevención, Seguimiento, Control y Vigilancia Forestal. Fue formulado en 2009; durante 2013-2015 MADS realizó seguimiento a su implementación con veinte (20) Autoridades Ambientales. Esto ha permitido identificar deficiencias y fortalezas en la administración forestal por las mismas instituciones y reconocer la importancia de la gobernanza forestal.
- d. Convenios de Asociación con la CARDER (No 77 de 2014)²⁷³, ONF Andina (No 476 de 2014)²⁷⁴. Ambos incluyen una serie de acciones por mejorar la gobernanza forestal. El primero incluye entre otros: (i) divulgación y promoción del “Pacto”; (ii) primera versión de la Guía Técnica para compra y manejo responsable de madera; (iii) seguimiento a la implementación de la Estrategia Nacional de Prevención, Seguimiento, Control y Vigilancia Forestal para 15 CAR; (iv) desarrollo de las aplicaciones “Cubimadera” y “Especies Maderables”²⁷⁵. El segundo incluye entre otros: (i) Estudio sectorial de uso y legalidad de la madera en empresas, en industrias forestales, y en los sectores de transporte, vivienda e infraestructura; (ii) evaluación de pruebas piloto de implementación de la propuesta de administración forestal en CODECHOCO, CORPONARIÑO y CORPOAMAZONIA; (iii) propuesta de incentivo al MFS en Colombia, mediante el análisis de ocho (8) instrumentos económicos (impuestos, tarifas y tasas por uso; subsidios y compensaciones; certificaciones y sellos ambientales; pago por servicios ambientales; concesiones; servidumbres ecológicas; asignaciones presupuestales; y créditos y cooperación internacional).
- e. Programa de Protección del Bosque y Clima REDD+ con la GIZ. Este incluye entre otros las siguientes acciones (i) definición de mecanismos de control y vigilancia en zonas

²⁷³ En 2015 el MADS firmó otro convenio con CARDER y con la FAO, con el fin de fortalecer al PIMLC. Incluye entre otras (i) validación y prueba piloto de implementación de la Guía de Compra Responsable de Madera; (ii) fortalecimiento de capacidades en control y vigilancia en Autoridades Ambientales; (iii) validación y divulgación de instrumentos de reconocimiento a la legalidad forestal; (iv) actualización y difusión de las aplicaciones “Especies maderables” y “Cubimadera”; (v) identificación y dotación con equipos y tecnología para el proceso de identificación de maderas (en el bosque, carreteras y transformación) e (vi) identificación de las principales variables para construir el Sistema de Aseguramiento a la Legalidad (SAL).

²⁷⁴ En 2015 MADS firmó otro convenio con ONF Andina (No. 280 de 2015) con el fin de fortalecer la gobernanza forestal, específicamente con la promoción de manejo forestal sostenible (MFS). Incluye entre otras (i) desarrollo de mesas forestales adicionales; (ii) acciones para la implementación del PIMLC; (iii) intercambios de experiencias de MFS y el desarrollo de una capacitación en éste tema para funcionarios de las CAR; (iv) estructuración de dos (2) incentivos económicos para el MFS: a. una exención tributaria al impuesto de renta para proyectos de MFS y b. un subsidio de asistencia técnica financiado por créditos multilaterales.

²⁷⁵ Actualmente cuenta con información de las 70 especies forestales más comercializadas.

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fronterizas; (ii) revisión y validación de la última versión de la Guía de Compra Responsable de Madera; (iii) análisis de escenarios contemplados en los Tratados de Libre Comercio suscrito por Colombia; (iv) consolidación de la definición de madera legal; (v) apoyo intersectorial para el posicionamiento del PIMLC con los Ministerios de Transporte, Agricultura, Defensa y Minas.

- f. Mesa de control de la tala ilegal en Colombia. Tiene como objetivo general, la articulación de los esfuerzos interinstitucionales, la generación de información, la vigilancia y el control integral relacionados a los casos o quejas que se reciban sobre la tala ilegal en Colombia. Esta integrada por 10 instituciones gubernamentales²⁷⁶.

²⁷⁶ Incluye el instituto de Hidrología, Meteorología y Estudios Ambientales (IDEAM), el Ministerio de Agricultura y Desarrollo Rural, el Instituto Colombiano Agropecuario (ICA), la Fiscalía General de la Nación y su cuerpo técnico de investigación, la Procuraduría Delegada para Asuntos Ambientales y Agrarios, la Contraloría General de la República (el director de estudios sectoriales para medio ambiente), la Policía Nacional, Parques Nacionales Naturales de Colombia, la Armada Nacional (COARC) y el Ejército Nacional.

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Anexo 3 Documentos revisados

1. CARDER et al, 2010. FLEGT en Colombia. Alcances de una iniciativa de la Unión Europea. Sistematización de Lecciones Aprendidas. Proyecto Bosques FLEGT de Colombia.
2. CARDER et al, 2011. Valor de Madera de Bosque Natural que se Comercializa Anualmente en Colombia 2008 -2011. Proyecto Bosques FLEGT de Colombia.
3. CARDER, 2013. Estado del Arte de la cadena de la Guadua en Colombia 2003- 2012.
4. CARDER et al, 2013. Guía de cubicación de madera. Proyecto Posicionamiento de la Gobernanza Forestal en Colombia (PGFC).
5. CARDER et al, 2014 Procesos de Control y Vigilancia Forestal en el territorio de la Región Pacífica y parte de la Región Andina Colombiana. Proyecto PGFC.
6. CARDER et al, 2014. Pacto Intersectorial por la Madera Legal en Colombia Agosto 2011 a Agosto 2015. Proyecto PGFC
7. CARDER et al, 2014. Protocolo 0, para la Revisión y Evaluación de Planes de Manejo Forestal. Proyecto PGFC.
8. CARDER et al, 2014. Protocolo 1, Para Seguimiento y Control a los Aprovechamientos Forestales en Bosque Natural. Proyecto PGFC.
9. CARDER et al, 2014. Protocolo 2, para Seguimiento y Control a la Movilización de Productos Maderables y no Maderables del Bosque. Proyecto PGFC.
10. CARDER et al, 2014. Protocolo 3, para el Seguimiento y Control de Industrias y Empresas de Transformación o Comercialización de Productos Forestales. Proyecto PGFC.
11. CARDER et al, 2014. Modelo Matemático para el Cálculo de la Legalidad Forestal en Colombia. Proyecto PGFC
12. CARDER et al, 2015. Sistema de Aseguramiento de la Legalidad de la Madera (Propuesta para implementación en Colombia). Proyecto PGFC.
13. CARDER et al, 2015. Lecciones Aprendidas en temas del Pacto Intersectorial para la Madera Legal en Colombia y el Sistema de Control y Vigilancia.
14. Ministerio de Medioambiente, 2015. Evaluación del Plan de Acción de la UE FLEGT 2003-2014. Ayuda de Memoria avance de la Gobernanza Forestal en Colombia 2013-2015.
15. Gobernanza Forestal. Periodico Institucional No. 13, primer trimestre 2014.
16. Gobernanza Forestal. Periodico Institucional No. 15, tercer trimestre 2014.

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Anexo 4. Retos futuros expresados por los actores entrevistados

- Enfoque en manejo forestal participativo, teniendo en cuenta el orden público y alternativas productivas
- Incluir un componente de apoyo técnico con el fin de adelantar un trabajo político estratégico
- Continuar y concluir el proceso de definición de madera legal
- Fomentar la actualización de las normas ; los procesos de definición de las normas forestales cuestan mucho tiempo y dinero, por esto se opta por el ajuste del marco legal vigente
- Posicionar FLEGT en el ámbito del diálogo de paz preparando para la situación post-conflicto. Sin paz un SAL efectivo será muy difícil. Sin un nivel de gobernanza adecuada hay mucho riesgo de deforestación
- Seguir consolidando las iniciativas tomadas en el ámbito del PA FLEGT, pero con enfoque comercial
- Impulsar y modernizar la administración forestal
- Incentivar el sector privado, especialmente de manejo de bosque natural
- Incentivar a MIPyMEs locales en manejo de bosque natural
- Mejorar las condiciones para inversión forestal
- Formalizar la cadena forestal completa
- Posicionar el tema forestal en la agenda del Gobierno Nacional incluyendolos ministerios relacionados
- Realizar un control efectivo para evitar los cultivos ilícitos y actividades de minería ilegal dentro del bosque
- Sensibilizar al ciudadano consumidor y al público en general sobre la importancia del manejo forestal sostenible y legal
- Completar el proceso de revisión y de ensayo de la política de compra pública responsable e implementarla sistemáticamente con el fin de darle una ventaja competitiva a las empresas "legales"
- Desarrollar sinergias con otros donantes
- Se resalta la necesidad de establecer relaciones entre FLEGT y REDD

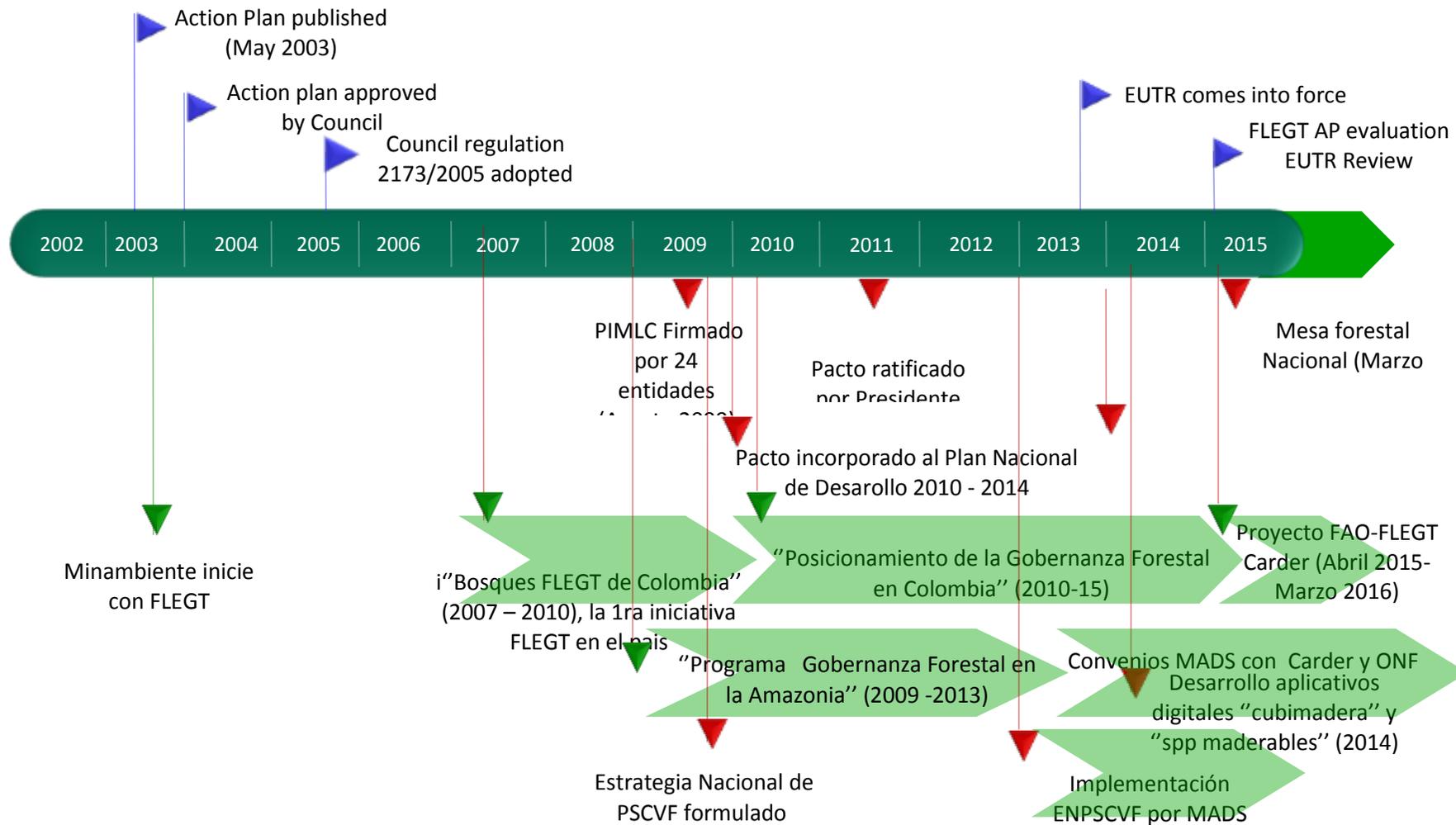


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Anexo 5 **Linea de tiempo FLEGT en Colombia**

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Colombia FLEGT



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1. Situation of the country with regard to FLEGT action - Relevance of the mission to BiH (with regards to the overall FLEGT Action Plan Evaluation), and implementation of the mission

a) Bosnia and Herzegovina

Bosnia and Herzegovina [BiH] is part of the Western Balkans countries. It is surrounded by Croatia, Serbia and Montenegro, with a narrow coastline providing access to the Adriatic Sea. Following the dissolution of Socialistic Federal Republic of Yugoslavia (SFRY), the country proclaimed independence in 1992. This was followed by the war, lasting until late 1995 and ending with the Dayton peace agreement (1995).

BiH can be regarded as a rather complex construction in many aspects. The State of BiH has its capital city in Sarajevo. The country is constituted of two “entities”, the Federation of Bosnia and Herzegovina [FBiH] and the Republika Srpska [RS], and of the Brcko District [BD] of BiH (which reports directly to the Council of Ministries of the State). The Federation (FBiH) is further divided into 10 cantons.

BiH is an atypical country with regards to the FLEGT Action Plan (FLEGT AP) Evaluation, since it is neither a VPA nor a EU Member State (MS) country. For purposes of the evaluation, it is a non-VPA producer country and also a potential candidate for membership to the European Union.

b) Situation of BiH with regards to FLEGT action

Forestry is important for BiH, and 75% of BiH exports are to the EU (see the findings on the BiH forestry sector under EQ 1). In 2012, a VPA was discussed at the University of Sarajevo, but it was judged irrelevant for potential accession countries (EC communication). The EUTR currently applies to BiH exports to the EU.

c) EU Delegation to BiH

The EU Delegation [EUD] to BiH has been established in July 1996 as the official diplomatic representation of the EU in BiH, with the delegation powers transferred from Brussels in 1998.

About EUD's role and involvement in forestry: see the findings on FLEGT-related initiatives. The EU Delegation has not been involved in direct FLEGT or forestry action, apart from a sectoral review.

d) FLEGT-relevant milestones in forestry sector management in BiH

The “timeline” of FLEGT-relevant milestones in BiH is presented in **Annex 1** to the present aide-memoire. It covers key events related to: EU level, EU accession process, BiH country/ state level, FBiH, RS, and Brcko District.

e) Main stakeholders

The evaluators contacted the key resource persons for BiH, mainly within the EU Delegation (EUD) to BiH in Sarajevo and the European Commission (DG ENV) in Brussels, and then directly at the Directorate for European Integration (DEI) in Sarajevo, within the EU Assistance Coordination Division.

With the assistance of these persons, notably EUD and DEI, the evaluators then identified the key groups of stakeholders to meet and contacted their representatives. The table containing the list of participants in the different meetings and interviews, or with who the evaluators were in contact as part of the mission, figures in **Annex 2** to this aide-mémoire.

f) Mission schedule

Again with assistance from DEI, in liaison with MOFTER (Ministry of Foreign Trade and Economic Relations of BiH) staff in Sarajevo (Sector of Agriculture, Food, Forestry and Rural Development), the mission program was prepared. It figures, as completed, in **Annex 3** of the present aide-mémoire. All activities and meetings planned in advance took place; a few more meetings were added to the schedule during the mission.

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Particular to the context of BiH, was the need to meet equally with the four levels of the institutions of BiH on the government side: the State level relevant ministries and institutions (which took place in Sarajevo), the two entities, FBiH (in Sarajevo) and RS (in Banja Luka), and the Brcko District (in Brcko). These visits took a good part of the mission that lasted 4 days in total. The evaluators were still able to meet with some representatives of the other stakeholder groups - civil society, international institutions, private sector and university -, but not in such a fully balanced way.

g) Special issues

The key research objective for the evaluation mission in BiH was to see (analyse) what the FLEGT action plan and related actions has meant, for BiH.

Specific evaluation topics had also been defined for the mission:

- Trade data and BIH profile as forest/timber²⁷⁷ country;
- Stakeholder mapping
- Situation of BiH with regard to illegal logging: importance, flows, drivers, mechanisms
- Significance of FLEGT AP for BIH: level of awareness (FLEGT AP, VPAs, EUTR), affected/ influential stakeholders, private sector responses to EUTR requirements, civil society activity...
- FLEGT-relevant, national and bi-/multilateral initiatives in BiH: by EU (EC/MS), other donors, BIH government(s), private sector etc.; BiH timeline; Past/present opportunities (used or not) for FLEGT?
- Linkages with accession process
- Information gathering, to allow a comparative analysis with Romania and bring up conclusions about EU enlargement (good or bad news from the FLEGT perspective?) and the extent to which FLEGT is taken account of in the accession process
- Trends: indications of foreign investment (e.g. China) in BIH.

h) Restitution workshop

Over 10 people attended a restitution workshop (feedback meeting) at DEI in Sarajevo at the end of the mission, during which:

- the evaluators presented their initial findings from the meetings and interviews,
- the “timeline” of FLEGT-relevant milestones in BiH could be discussed (see Annex 1) ; and
- the evaluators intended to verify, clarify, complete and validate the provisional results, and to then draw conclusions and preliminary recommendations in interaction with the participants, including on future action.

The Agenda included the following points:

- Introduction
- Timeline
- Preliminary findings
- Tentative conclusions
- Discussion.

²⁷⁷ producer / importer - processor - consumer / exporter (to EU/others) country

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2. Key Findings

Note. By default, the source for quoted facts & figures (where only a page number is provided) is the following document: 'The Forest Sector in Bosnia and Herzegovina', FAO 2015.

On EQ1 (relevance of the EU FLEGT Action Plan to BiH and vice versa):

Importance of forestry in BiH, EU influence

- The **forestry sector** of BiH represented 2.3% of GDP in 2011 (p.56). The **forest area** amounts to 3.2 Mha²⁷⁸ i.e. 63% of the total country area (p.5). Its description reflects the good vitality and diversity of BiH forests (p.5), the ownership structure of which is 80% public and 20% private (p.5).
- **Distribution of productive forests** between the two entities (p.19) and the Brcko District (BD Gvt.):
 - Federation of BiH (FBiH): 1'028'700 ha
 - Republika Srpska (RS): 1'132'600 ha
 - Brcko District (BD): 10'820 ha
- Total **wood production** in BiH in Round Wood Equivalent (RWE) volume is estimated at 4.0 Mm³, which includes logs (1.9 Mm³), pulpwood (0.8 Mm³), and woodfuel (1.3 Mm³). (Source: FAO FORESTAT 2014, 2012). **Fire wood production**, for domestic market alone, can be estimated as follows: 0.6M rural households x 6 m³/yr = 3.5 Mm³ (p.71). This represents a clear gap if compared to the official data of 1.3 Mm³ (above). Possible reasons provided for such gap include: unrecorded volumes (for tax avoidance) and illegal (i.e. thefts) uses of firewood mainly on private land (p.71). On that basis, the **annual harvest** (wood production) is more likely to be around 5.7 Mm³ RWE in total. Compared to an **annual increment** of over 11 Mm³, it means that only around 50% of the annual increment is used for wood production (pp.27-28), with less than 40% officially reported as marketed (p.29).
- The **trend in wood processing** in BiH over the recent years is an increase in volume, added value, and percentage of GDP. As a result, BiH is a net exporter of wood products. The forest sector provides a trade balance surplus to the country (p.78).
- In terms of exports, **BiH is the biggest supplier to the EU-28 among non-EU Balkan countries** (see below tables of timber sector in volume and value, based on Eurostat²⁷⁹). The EU is also a major destination for BiH exports, since **75% of BiH exports are to the EU**: Italy, Slovenia, Germany, Croatia etc. (p.78). This is a clear factor for EU influence; another factor is the fact that BiH is a potential candidate to EU accession.

²⁷⁸ The abbreviation "M" in this aide-memoire is used for "million".

²⁷⁹ Note: round wood equivalent (RWE) volume has been estimated from source data by multiplying volume by (in m³/m³) 1.8 (sawn wood), 1.9 (veneer and mouldings), 2.3 (plywood) and by (in m³/tonne) 2.0 (particleboard), 2.5 (fibre board), 2.8 (furniture), 3.5 (joinery), etc.

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EU-28 member states' imports of Timber Sector products from non-EU countries in the Balkans

		Estimated RWE volume (million cubic metres)												
		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Albania		0.06	0.05	0.05	0.06	0.06	0.05	0.06	0.04	0.05	0.04	0.05	0.05	0.05
Bosnia Herzegovina		0.48	0.51	0.58	0.50	0.54	0.68	0.54	0.40	0.53	0.91	0.86	0.81	0.87
Kosovo		0.00	0.00	0.00	0.00	0.00	0.01	0.01	0.00	0.01	0.01	0.01	0.01	0.01
Macedonia		0.02	0.02	0.03	0.04	0.04	0.05	0.05	0.03	0.03	0.04	0.04	0.03	0.04
Montenegro		0.00	0.00	0.00	0.03	0.04	0.00	0.00	0.01	0.03	0.04	0.04	0.03	0.03
Serbia & Montenegro		0.00	0.00	0.00	0.23	0.46	0.59	0.53	0.36	0.46	0.60	0.62	0.64	0.60
Serbia & Montenegro		0.01	0.01	0.49	0.16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Former Yugoslavia		0.42	0.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

		Import value (million Euro, cif, nominal)													
		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Albania		11	12	10	11	11	14	16	15	12	13	14	15	14	15
Bosnia Herzegovina		99	97	103	129	128	153	180	157	147	171	252	253	264	278
Kosovo		0	0	0	0	0	1	2	2	1	1	1	2	1	1
Macedonia		9	4	5	6	7	8	14	15	12	13	17	17	19	23
Montenegro		0	0	0	0	2	3	0	0	1	5	8	8	9	10
Serbia & Montenegro		0	0	0	0	49	107	124	115	83	101	144	149	158	167
Serbia & Montenegro		1	1	1	106	40	0	0	0	0	0	0	0	0	0
Former Yugoslavia		69	81	83	0	0	0	0	0	0	0	0	0	0	0

- **BiH exports** a total of 1.5 Mm³ (p.79, Table 6.8), which consists of: sawnwood (0.86 Mm³), pulpwood (0.45 Mm³), paper & paperboard (0.11 Mm³), logs (0.036 Mm³), and veneer, plywood & particle/fibre boards (0.025 Mm³) (p.79). There are few log exports; this is not due to any restriction (ban) to log exports, but priority is given to the local industry for logs from public forests (with an objective of locally added value through processing). Exports of pellets show a remarkable trend, growing to 150.000 tons in 2013 (p.65), and putting pressure on pulpwood and firewood, incl. industry wastes.
- The key policy concerns for the BiH Government at country level are: the import/export balance, implementation of EU timber regulation (EUTR), and the development of a legal & sustainable sector.
- There is potential for further sector development: BiH has real competitive advantages in the global market (low-cost labour, good forest resources, and proximity to EU market (p.52)); 50% of the allowable volume of cut is not used (p.68); only 5 % of private forest owners sell wood for timber and 5 % of them sell firewood (incl. charcoal) (p.63); several processing units already operate with foreign capital, with potential to attract more foreign investment.
- In terms of "Offer vs. Market Demand", post-war installed capacity used to exceed the demand. This is changing as the demand now exceeds the supply, however supply could be increased through further efficiency gains. The number of processing units in RS, for example, went down roughly from 1'000 to 500 over the last 5 years, while overall capacity was maintained and added value increased. Reasons provided include a. badly managed companies going out of business, and b. concentration in the sector.

Illegal logging and related trade

- Stakeholders consulted state that illegal logging has been rampant during and after the war, but that it is less important now, that there is no large-scale organized crime, and that it is not systemic (rather individual) but consists of unlawful practices. The rate is said to be similar to neighbouring countries (an estimate by WWF in 2008 – that 80% of exports are of illegal origin - is mentioned but

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no reference is provided). Official data from public authorities suggests lower figures (p.114). An RS source gave an estimate of 15'000 m³/yr, valued at 2MKM; no FBiH data was made readily available.

- Illegal Logging and Trade is considered an important problem anyway, due to its negative (economic, ecological, social) impacts; it reduces quotas of allowed volumes for those who operate legally. It is mostly [but not only] related to fuel wood, which is mainly a poverty-related problem especially around urban areas. *“Rural poverty puts major pressure on forest land, especially in terms of firewood demand and illegal activities of harvesting and marketing wood resources”* (p.39).
- An interviewee however mentions the apparently blatant case of a company that makes pellets and exports material to e.g. Austria, Germany, in big volumes, mostly unchecked (as the use of forest logging remnants or selective clearing is not regulated), from a non-competitively (nor transparently) awarded contract to buy logs from a Public Forest Enterprise, operating, chopping down trees in the open, doing cash-only sales. Note: In the absence of further investigation, this should be treated as mere allegations of “things that may happen” when it comes to illegal logging.
- Different kinds of illegal logging are further explained by one interviewee: (i) in private forests, harvesting by the owner without permission from the forest authority and without paying taxes (10% of value) and fees (KM10) in FBiH, which is the most prominent kind; (ii) in either public or private forests, wood thefts.

Conclusion

The forest sector is important for BiH, illegal logging is a serious issue that needs to be further studied, and the EU exercises influence on BiH as the main buyer of BiH wood products and also in the context of the envisaged accession of BiH to EU membership.

On EQ2 (design of FLEGT- relevant measures implemented by BiH and FLEGT actions):

a. Measures taken by BiH to combat illegal logging and trade

- The following achievements are listed in the Timeline (**Annex 1**). Effectiveness is assessed under EQ3.
- Initiatives implemented at the BiH country level have included support to the introduction of certification (2005-07) and to combat illegal activities in forest sector (2006-09), and the review of the forestry sector (2015). *“Support to institutional mechanisms for combating illegal logging, and enforcement of a controlling and safeguarding system of illegal logging activities”* is one of the recommendations of the forest sector study as part of reparatory actions for implementation of the agri-environmental measures and LEADER²⁸⁰ [approach] for the preparation for implementation of actions relating to environment and the countryside.
- Initiatives implemented at the FBiH entity level have consisted of the 2002-2004 Law on Forests (no longer in force as of 2011), the 2005 Action Plan to Combat Illegal Activities in Forestry and Wood-Processing Sectors, a regulation on sales of logs from public forests (2008), a palliative Regulation on Forests in 2009-2010 (no longer in force after 6/12/2011 – since then the forest sector is “legally unregulated” at the level of FBiH; substitutive cantonal forest laws are in place in 8 of the 10 cantons), a set of anti-corruption laws (2014), and a Preliminary Draft Law On Forests (July 2015).
- Initiatives implemented at the RS entity level have comprised the Law on Forests (1994-2002; 2008), FSC certification for all public forests (2009), the Forestry Development Strategy 2011-2021, 32

²⁸⁰ The EU's LEADER ('Liaison Entre Actions pour le Développement de l'Economie Rurale' – in French) programme.

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implementing regulations relating to timber sales and technical norms of forest management, amendments to the Law on forests and around 38 rulebooks issued (2013), the re-certification of all public forests (2013), the anticorruption strategy 2013-2017 (the document defines the forestry sector as a highly risky area for creation of corruption and proposes three strategic goals preventing corruption), the Action plan for preventing illegal woodcutting, stealing and illegal selling of timber assortments (2015), and measures related to the forest service and the public enterprise (2015).

b. FLEGT-related and other initiatives supported by the EC and others

- The EU Delegation to BiH is not specifically involved in the forestry sector (there is no specific forestry sector programme). It runs capacity building interventions under e.g. agriculture and rural development, natural resources, environment portfolios (e.g. NATURA) with which forestry is a crosscutting sector.
- In 2015 the EU funded a sectoral review of the forestry sector²⁸¹ that has been carried out to support: (i) BiH's policy improvements, and (ii) IPARD-related programming, once it becomes available.
- Other FLEGT-related initiatives have included:
 - The Netherlands' Government support to introduction of certification (2005-07, Ameco/REC BiH, with Šume RS and Sarajevo Šume)
 - The WB programme to combat illegal activities in forest sector (2006-09, Indufor), which produced 2 action plans (FBiH, RS) and annual updates and conferences
 - A Forestry education project on Forest Governance (2006-12, The Netherlands' Government, University of Sarajevo)
 - The Netherlands' Government-funded UNDP "Forestry for employment" project, focusing on forest cluster development (2007-09)
 - In relation to **EUTR**, the USAID Firma Project (2009-2013) aimed to facilitate private sector adaptation to EUTR
 - The Western Balkans Illegal logging conference (2010), coordinated by Regional Environmental Center (REC) Hungary. The agenda mentions an 'Illegal logging report for the SEE' and a proposed 'Regional Roadmap by the countries'.
 - The REC THEMIS project (partners: INTERPOL, INECE, IMPEL, Criminal Intelligence Service Austria): regional programme on natural resources, forestry governance, and combating environmental crimes (2012-14; 2014-17, Austrian Government)

c. Pre-accession process

- EU presence in BiH includes (a) the EU Delegation to Bosnia and Herzegovina²⁸², and (b) the Office of the EU Special Representative (July 2011) (www.eubih.eu, www.europa.ba).
- EU membership or accession status of the Western Balkans countries: Croatia joined the EU in July 2013; Albania, Serbia, The former Yugoslav Republic of Macedonia, and Montenegro have acquired the status of candidate countries (<http://ec.europa.eu/enlargement/>). Bosnia & Herzegovina has

²⁸¹ 'The Forest Sector in Bosnia and Herzegovina', FAO 2015 (available at: <http://www.fao.org/3/a-au015e.pdf>)

²⁸² First established July 1996 as the Delegation of the European Commission; it was changed to "the Delegation of the European Union to Bosnia and Herzegovina" in 2009.

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been recognised by the EU as a potential candidate country for accession (European Council decision, 2003), but it has not yet formally applied for full candidate status.

- In FLEGT terms, BiH is expected to eventually join the EU, at which time it would have to implement FLEGT (including competent authorities appointed to check licensed imports from VPA countries and on EUTR Operators and Traders and Monitoring Organisations). Meanwhile, EUTR Due Diligence applies to supplies from BiH to the EU.
- Relevant steps in the EU accession process of BiH have included: a. the bilateral Stabilization & Association Agreement (SAA) signed in 2008, and entered into force in June 2015 - it governs the relationship with the EU and the accession process -; b. the Interim Agreement (IA) which has been in force since July 2008; c. a number of agreements signed already (on visas, free trade, Schengen space etc.); and d. a Reform Agenda in BiH adopted in July 2015.
- Further steps include the transposition of EU laws and standards to BiH laws. There is no specific forestry chapter under the EU acquis [Note: EU acquis refers to alignment of the BiH legislation with EU legislation i.e. the transposition of EU directives²⁸³ and their correct and timely implementation with other EU legislative acts, like relevant regulations and decisions²⁸⁴]. “Opening of chapters” only takes place after the country has become a candidate and starts negotiation with the EU. There is still no agreement on IPARD²⁸⁵ system for decentralised management of IPARD funds.

On EQ3 (effectiveness):

AA1 (Support to producer countries)

a. Measures taken by BiH to combat illegal logging and trade

- The main structural challenge in BiH in terms of both effectiveness and cost-efficiency is the complex forest administration structure, whereby Government competencies are distributed between State level (BiH), entity levels (two entities, FBiH and RS), cantonal level (10 FBiH cantons), and the Brcko District level. “*There are as many as 14 governments in BiH!*”, observed one stakeholder. Yet this does not take the municipality level into account.
- The different levels have sovereign competency in their respective domain: the State level (MoFTER) has a coordinating role, while policy and implementation competencies are mostly at lower levels. At entity level, the sector is covered by two different ministries (ministry of forests up to the sale of logs, and ministry of industry for the processing sector), which undermines integration of sector management from forest to market.
- FBiH has a decentralised system. The FBiH entity level (line ministry) has no executive power to issue orders to the 10 cantons. Reporting by the cantons is upon request (i.e. there is no obligation to report to the higher level, no vertical chain of command).

²⁸³ A directive is a legislative act that sets the goal that member states must achieve; how to do it is up to individual member states to decide.

²⁸⁴ The Union’s law is consisted of primary and secondary law. The primary law refers to the Treaties that are the basis for all EU actions. The secondary law derives from the principles and objectives set out in the Treaties and includes regulations (which are binding to all across the EU), directives (see above) and decisions (which are binding only to those concerned). Member States have primary responsibility for correct and timely application of EU Treaties and legislation, and the Commission monitors the application of the Union’s law.

²⁸⁵ Instrument for Pre-Accession Assistance (IPA) in Rural Development

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- RS is a more traditional model of government, centralized and vertically integrated. The forestry administration system in place is reportedly well functioning (comprising forest law, action plans 1 and 2, annual planning, management and monitoring system).
- As for BiH as a whole, some actors within the FAO study evaluated the current institutional framework and organization of public forest administration as “non-functional” (p.110). Comments from other sources include: “...a decentralized governmental structure with numerous and often duplicating levels of government; ...share of public sector ... among the highest in Europe” (IMF, Staff Country Reports, 2010); “...complexity of the institutional arrangements in the country” (EC progress report 2014). Note: RS staffs regard the above assertion as “not applicable to the Republika Srpska”.
- Furthermore, up-to-date primary/secondary legislation is lacking in some areas of FBiH: a. Legislation is missing at the FBiH entity level as the law adoption process has not been finalized (see Timeline); b. 8 cantonal laws apply in the absence of entity level law, but 2 cantons are without laws. Note: according to FBiH authority, companies operate according to approved annual plans based on 10 years planning, all timber leaving the forest is controlled, and police and inspectors carry out road checks; it is not clear however on what basis the plans are approved in the absence of relevant law. The Criminal Code has been mentioned, but it provides general, not forestry related principles. The absence of a law on forests at the FBiH entity level, as such may open space for increased illegal logging and corruption.
- The fact that there is no harmonized legislations makes it “more difficult for buyers to operate” (especially to check legal compliance from suppliers); there is also reportedly limited coordination/collaboration in implementation and control, within and “across borders” between entities.
- There is no existing countrywide forest sector information and timber tracking system in place; establishment of such system at BiH level is in fact not envisaged. Only in RS these systems are said to be established and functioning (but the evaluators do not have an assessment of the reality of these systems).
- In respect of monitoring and control of timber chain-of-custody (CoC), conventional, hammer marking and paper-based methods still prevail (no use of IT). In RS, the Strategy on Forestry envisages modernization of the monitoring process. In FBiH, 8 cantons have regulations to combat illegal logging. Cantonal levels in FBiH are currently not obliged to report to the entity i.e. the higher Federation of BiH level, however in the former and in the new draft law, the cantons were/would be required to provide monitoring information to the FBiH level.
- It is generally found that there is a need for more action to be taken by the relevant authorities in terms of law enforcement and judiciary follow-up issue.
- The existing structures are based on current competencies being defined in the Dayton Agreement and the BiH Constitution. Reforming current setting would therefore be a challenge.
- Currently there is no legislation specifically prohibiting the placing of illegal timber, either imported or locally produced, on the BiH market (i.e. no EUTR-like regulation). This does not allow border control based on this criterion.

b. FLEGT-related and other initiatives supported by the EC and others

- There is still limited awareness of FLEGT (as stakeholders report). Current delays in the pre-accession process are reducing EU support through IPARD funding (see next).

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c. Pre-accession process

- The current situation is that “the country remains at a standstill in the European integration process”, and “The political actors involved have been unable to agree countrywide strategies required for Instrument for Pre-Accession Assistance in sectors such as energy, transport and environment. This has led to a substantial reduction of funding in these areas...” (EC progress report 2014).

AA2 (*Trade in timber - EUTR*)

- It is said that BiH companies now receive requests for information on legality from EU buyers as a condition for buying. In RS: this information is provided by Šume RS. EUTR gave FM/CoC certification (FSC²⁸⁶) an enormous boost. But the absence of harmonized legislation makes it more difficult for EU buyers to exercise EUTR due diligence on legality verification, and for EUTR authorities to check.

AA3 (*Public procurement*)

- A general Public Procurement (PP) law (2010) is in place in BiH, but it contains no specific requirements for legal and/or sustainable timber procurement. A suggestion has been that the PP be amended to require sustainability for timber. In RS: 45'000 m3 of firewood are distributed to public institutions (schools, hospitals, etc. (appx. 2% of annual felling amount), with payment facilitations.

AA4 (*Private sector initiatives*)

- Achievements in relation to FM certification (FSC) are remarkable: all public forests in RS (1Mha), and 3 FBiH cantons (0.6Mha) are certified. The number of CoC certified wood processing companies amounts to 130 in FBiH and 150 in RS (FSC, 2014). The forest certification process is mainly export-oriented, for better access to global markets (p.103).
- As reported by FBiH/RS authorities, certification yet remains a challenge (1) for privately owned forests; in this regard RS has envisaged certification at the municipality level; (2) for many wood processing companies that do not operate legally; and (3) because there is no group certification yet.

AA5 (*Finance and investment safeguards*)

- No information.

On EQ4 (implementation management and coordination):

Stakeholder involvement (in the mission, and in general)

Government(s)

²⁸⁶ The choice for FSC was based on stakeholder decision.

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- The main government institutions involved at the State/country level include: (1) the Directorate for European Integration (DEI)/NIPAC (National Coordination for Pre-Accession Country), EU Assistance Coordination Division, and (2) the Ministry of Foreign Trade and Economic Relations of BiH (MoFTER), a key focal point in its coordinating role at state level for Agriculture, Food, Forestry and Rural Development. Note: border control is exercised at the state level.
- At the entities and Brcko District levels, this may include ministries, forest service, public forest enterprise, and faculty of forestry (Sarajevo, Banja Luka, East Sarajevo, Bihac). In RS: Ministry of Economic Relations and Regional Coordination, acting as RS IPA coordinator nominated by the Government of RS; Ministry of Agriculture, forestry and water management of RS; Forest service Srpske Šume; Public Forest Enterprise Šume RS. In FBiH: Ministry of agriculture, water management and forestry, acting as FBiH IPA coordinator nominated by the Government of FBiH; “Sarajevo Forest” service of the FBiH. In Brcko District: Brcko District Government, Department for agriculture, water management and forestry; Office for the European Integrations acting as BD IPA coordinator nominated by BD Government.

Civil society

- Civil society organisations (CSOs) in BiH include international and local, environmental/forestry NGOs, and local communities (“MZ”). There are many “ghost” NGOs (fishing for funding), not independent (so not critical). There is no coordination on forestry, no central contact point, and limited advocacy. Some NGOs feel neglected.

Private sector

- Private sector organisations (PSOs) in BiH include Associations of forest companies / wood processors, and individual companies, and Associations of contractors and of employers. Private forest owners claim a lack of attention, and their associations do not have strong influence.
- The Chambers of Commerce (COC) play an important role in BiH. There is one COC at the State level (the Foreign Trade Chamber of BiH is acting as focal point for the COCs), one COC in each of the two entities, and one COC in each of the 10 cantons (FBiH). Status: they are non-for-profit, non-governmental, and obligatory (FBiH) or voluntary (FBiH cantons) membership organizations. Good cooperation (between state and entity levels) is reported. They have provided seminars and information on **EUTR** (through the USAID Firma project).
- The RS Government (Min. of Industry, Energy and Mining) has provided support to the private sector in the form of subsidies to export-orientated companies in the wood processing industry (mostly on improvement of facilities, but also for achieving requested standards). Total amount for 2006-2013: appx. 27.5 million BAM (106 companies received subsidies in 2013) (RS source). No data was provided in relation to FBiH and Brcko District Government support.

Other (non-EU), multi-/bilateral donors

- The World Bank (WB) has been involved for many years in reforms of forest sector management. USAID and the Swedish International Development Agency (SIDA) have had joint project activities (analyses, small-scale capacity building actions etc.). Other active donors: Canada (CIDA), the Netherlands, Austria...

Stakeholder process

- The weakness or even absence of multi-stakeholder engagement has been reported, at least in some parts of the country: limited stakeholder information and consultation processes in policy and law development; no recognition of the necessity to secure active participation of [e.g.] civil society as an

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important element of good forest governance (p.111, from Mutabdžija, 2012). In RS (RS source): stakeholder consultation is ensured through Rules of Procedure of the Government of the RS from 2009, Guidelines for drafting laws (Official Gazette 73/12) and Regulatory Impact Assessment (Official Gazette 02/13). But in FBiH, the draft Forest Law of FBiH has followed a limited consultation process (it has only been posted online for comments), below international guidelines. No data has been provided for the Brcko District.

Conclusion

- Implementation of inclusive processes for all stakeholders in policy and law development is needed, including a stronger and better-coordinated civil society.

On EQ5 (achievement of objectives):

Illegal logging and related trade

- Illegal logging is still recognized as a serious issue in BiH (although reliable volume estimates are lacking to substantiate this allegation), supposedly outside certified forests.
- Concentration in the sector in RS, at the expense of badly managed companies, is associated with improved compliance, reduction of non-loyal competition, and “cleaning-up” of the sector.

General governance

- The heterogeneous institutional and legal frameworks among jurisdictions have several inconveniences that have been identified (complexity, disparity, cost-efficiency issues, no economy of scale, corruption, a more difficult framework for EUTR implementation). The accession process is likely to require approximation to EU laws and standards in terms of FLEGT management in BiH (for both domestic production and imports). Under the EU acquis, forestry is to be tackled under relevant policy areas/chapters, which hinders a broad view and complicates coordinated action for the sector. The entities suggest that forestry is more advanced than other sectors in BiH, however the EU will need BiH to speak with one voice in the accession negotiation process and this creates an obvious challenge.
- Possible ways forward, to address the situation (a) include country-wide legislation; it might improve the regulatory framework, but it is subject to respect of the competences and the agreement of all appropriate levels; (b) commend that at a minimum, harmonised laws are needed to avoid contradictions and loopholes; (c) comprise the **co-ordination mechanism** – *“An efficient and effective co-ordination mechanism on EU matters is needed for Bosnia and Herzegovina in order for the country to speak with one voice and to efficiently interact with the EU, in particular in cases where legislative and administrative competences are at the levels of the Entities, including the Cantons in the Federation of Bosnia and Herzegovina, and the Brčko District. Without such a mechanism, EU legislation cannot be effectively transposed into a legislative framework applicable to the whole territory of Bosnia and Herzegovina”*²⁸⁷; the EC Enlargement progress report for BiH of October 2014 highlighted the absence of, and the need for a functioning *coordination mechanism between various levels of government, on EU matters, competencies, and countrywide sector strategies for alignment with the acquis*²⁸⁸; a new Progress Report is due mid-October 2015.

²⁸⁷ http://europa.eu/rapid/press-release_MEMO-13-874_en.htm, 2013

²⁸⁸ http://ec.europa.eu/enlargement/pdf/key_documents/2014/20141008-bosnia-and-herzegovina-progress-report_en.pdf

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Corruption challenges

- There are diverse views on this issue depending on the stakeholder groups (essentially government vs. others). Corruption is said to be reduced from post-war times, while others claim it is worse than before. Its nature includes clientele-ism (when, typically, wood supplies, privileges and protections are obtained in exchange of rewards for “services” (bribes) and allegiance to political parties), and nepotism. As an example, lack of transparency prevails in some timber sales contracts, not competitively auctioned and covering fraud based on the misclassification of grades, allowing to pay lower prices; and industry companies that prefer to stay away from that kind of arrangement may be deprived from supply. It is suggested that transparency and anti-corruption procedures, including the use of Information Technology, can do much to avoid corruption. However, interest groups are also said to be able to block law reforms. The Agency for Coordination Anti-Corruption (on state level) has limited efficiency, as it has no field presence, and does not prevent information leakages and impunity (in the eyes of some stakeholders).

On EQ6 (Other, emergent outcomes):

- No information.

On EQ7 (contribution to higher objectives):

- No information.

On EQ8 (efficiency):

- Partly resulting from the complicated administrative structure, the weight of the public sector in BiH is exceptionally heavy. Interviewees mentioned that 65% of the national budget goes into public administration, which is also the biggest employer with 60% of the jobs in BiH (Note: these figures could not be verified but have remained unchallenged by the participants at the restitution workshop and after reviewing the presentation). An other relevant figure, from a public source this time, seems to be in line with the previous one: *Total public sector employment = 42.5% of population*, including State owned enterprises’ staff, but excluding the Police (<http://unpan1.un.org/intradoc/groups/public/documents/un/unpan023209.pdf>).
- The context creates space for high bureaucracy, lack of cost-efficiency and vested interests. This may be reflected in ‘Gross profit/loss to Total revenues’ figures for the state forest enterprises of the two entities (in MBAM) indicating limited profitability and even a loss for RS in 2012:
 - FBiH: + 2’210’281 (profit) to 79’003’740 (p.48)
 - RS (2012): - 2’127’675 (loss) to 86’147’148 (p.48)
 - RS (2013): + 3’1 MBAM (profit) to 93.2 MBAM (RS source).

On EQ9 (sustainability):

- No information.

On EQ10 (coherence and community added value):

- No information.

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3. Main Conclusions and Recommendations

Conclusion 1:

Forests are important to the population and economy of Bosnia and Herzegovina [BiH], as they provide vital or critical goods (products) and environmental and social services to BiH. And the BiH forest sector still has a large untapped potential for further development, with competitive advantages to exploit further in terms of low-cost labour, good forest resources, and proximity to EU market. But it must also address challenges (limited commercial use of private forests, poor infrastructure to access forests, obsolescence of industry etc.). The last indication of relevant development assistance goes back to 2009 (UNDP project). EU funding in this area is currently reduced as IPARD (Instrument for Pre-Accession Assistance – IPA - in Rural Development) funding is not yet made available to BiH.

Recommendation 1:

Through enhanced cooperation with, and support to BiH as a producing country, encourage further forest sector development by ways of increased mobilization and efficient use of forest resources. To achieve this, the pre-accession process to EU membership must be accelerated so that BiH meets the requirements for IPA and IPARD funding, otherwise other mechanisms should be identified.

Conclusion 2:

BiH is a net exporter of wood-based products, mostly to the EU. The idea of a VPA with BiH has been judged irrelevant, BiH being a potential accession country. Meanwhile, EUTR Due Diligence applies to the supplies to EU from BiH. BiH companies receive requests from EU buyers for information on legality, and this is contributing to concentration in the sector and increased legal compliance in BiH, as well as to the remarkable development of forest management certification in BiH. However the level of awareness of EUTR requirements is unclear and the EU apparently is not doing much in that area (it is a USAID project that has aimed to facilitate private sector adaptation to EUTR in 2009-2013 through Chambers of Commerce in BiH). The absence of centralized or harmonized legislation in BiH likely makes it more difficult for EU buyers to exercise EUTR due diligence on legality verification in BiH, and for EUTR authorities to check. The current absence of a forest law at the level of the entity FBiH is also likely to hamper the further expansion of certification.

Recommendation 2:

Support activities aimed to raise awareness of EUTR and to support BiH private sector response to EUTR requirements; recognizing that the existing institutional and legal framework in BiH undermines EUTR implementation, as it may also undermine the accession negotiation process, encourage the adoption of measures to address this situation (ensuring harmonization and coordination among BiH entities and government levels); and encourage the transposition of EU laws and standards to BiH laws as part of the accession process, including the efficient handling of forestry issues under the relevant chapters - despite the facts that (i) there is no specific forestry chapter under the EU acquis, forestry being a cross-cutting sector with agriculture and rural development, environment etc., and (ii) the DG for Agriculture and Rural Development at the European Commission is not a leading DG in FLEGT.

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Conclusion 3:

New regulations on global timber markets (incl. EUTR) have boosted forest certification enormously in BiH, with initial support from one EU country (The Netherlands), resulting in a remarkable rate of certified forests (1.6 Mha – including all public forests in RS and 3 FBiH cantons -, for 2.15 Mha of productive forests, i.e. over 75%) and of, mainly export-oriented certified wood-processing companies (280 FSC CoC certificates in 2014). Further expansion of certification is said to be facing challenges in privately owned forests and also for many companies that do not operate legally. For the remainder of public forests, located in FBiH cantons, the current absence of a forest law at the level of FBiH may prevent certification (see above). Illegal logging is in fact still recognized as a serious issue in BiH (although reliable volume estimates are lacking to substantiate this allegation), supposedly outside certified forests.

Recommendation 3:

Assess the importance, and the drivers and factors of illegal logging more accurately in BiH, especially with regards to exports of wood-based products to the EU (whereas the illegitimate or unrecorded harvest of fire wood is well understood); encourage implementation of transparency and anti-corruption procedures, including Information Technology; encourage the further expansion of certification in privately owned forests, including through promoting group certification; and encourage coordination and collaboration in forest law enforcement, vertically between various levels of government and horizontally “across borders” between BiH entities including through countrywide wood tracking procedures.

Conclusion 4:

Multi-stakeholder engagement is weak or absent, at least in some parts of the country, in terms of stakeholder information and consultation processes in policy and law development. There is a need to recognize the importance of the effective participation of civil society, the private sector, and private forest owners. Many “ghost” NGOs lack independence and have limited advocacy.

Recommendation 4:

Encourage implementation of an inclusive process for all stakeholders in policy and law development across BiH, including strong and coordinated stakeholder groups (civil society – with a coalition of really active NGOs -, private sector, private forest owners) and central contact points through their professional associations or coalitions.

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Annex 1 – FLEGT-relevant Timeline BiH

By-default source for BiH information: Analysis of the Forest Sector in Bosnia & Herzegovina, FAO 2015

EU level	EU accession process	BiH country/ state level	FBiH	RS	Brcko District
Action Plan published (May 2003) Action plan approved by Council	June 2003: BiH a potential candidate country for EU accession		2002-2004: Law on Forests (Official Gazette of the FBiH no. 20/02, 29/03 and 37/04)	Law on Forests (Official Gazette of the RS 13/94, 8/96, 10/97, 23/98, 18/99 and 43/02)	
Council regulation 2173/2005 adopted		2005-07: Dutch Gvt support to introduction of certification (with REC)	2005: FBiH Action Plan to Combat Illegal Activities in Forestry and Wood-Processing Sectors		
	August 2006: Council Regulation (EC) No. 1085/2006 establishing the Instrument for Pre-Accession Assistance (IPA), coming into effect on 1/01/2007	2006-09: WB programme to combat illegal activities in forest sector (Indufor)			
	July 2008: EU-BiH Interim Agreement on Trade and Trade-related issues enters into force		2008: regulation on sales of logs from public forests	2008: RS Forest Law provides the overall framework	
	2009: Delegation of the European Union to BiH established (in Sarajevo). 2009: Agency for the Prevention of Corruption and the		April 2009: Decision by the Constitutional Court of the FBiH (Official Gazette of the FBiH no. 36/09) Law on Forests no longer in force as of	2009: completed FSC certification for all public forests	

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EU level	EU accession process	BiH country/ state level	FBiH	RS	Brcko District
	Coordination of the Fight Against Corruption created ("Official Gazette" No. 103/09)		27/11/2009		
	Sept. 2009: Council of Ministers of BiH adopted the Strategy for the Fight against Corruption (2009-2014) and the Action Plan to implement the Strategy; now the Agency is working on the Strategy for the Fight against Corruption (2015-2019) and the Action Plan to implement the Strategy.		2010: pending adoption of a new law on forests, Govt of FBiH adopted the Regulation on Forests (Official Gazette of FBiH no. 83/09, 26/10, 33/10 and 38/10).	2009-2010: 32 regulations adopted to support RS Forest Law relating to timber sales and technical norms of forest management	2010: Brčko District's own Forest Law adopted. Forest management plans prepared for public and private forests for the period 2007–2016.
	Anticorruption laws of BiH: see https://www.aauthorities.org/country/ba . 2010: EU-funded 'Implementation of the Anti-Corruption Strategy and Action Plan' (IPA National Programme 2010) – No mention of forestry sector.	2010-2012: Strategy?	2011: Decision of the Constitutional Court of FBiH (Official Gazette of FBiH no. 34/11): the Regulation on Forests should no longer be in force after 6/12/2011		
	2011: Office of the EU		6/12/2011:	2013: Law on forests,	

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EU level	EU accession process	BiH country/ state level	FBiH	RS	Brcko District
	Special Representative established (in Sarajevo)		Regulation on Forests no longer in application; no new Law on Forests. Forest sector legally unregulated at the level of FBiH (cantonal forest laws in place in 8 of the 10 cantons)	amended; around 38 rulebooks	
				Feb. 2012: Forestry Development Strategy 2011-2021	
3/03/2013: EU Timber Regulation (EUTR) comes into force			May 2014: set of anti-corruption laws adopted, which aim to establish specific law-enforcement bodies tasked with pursuing perpetrators of organised crime	2013: all public forests re-certified. Dec. 2013: Strategy of anticorruption 2013-2017 (<i>the document defines forestry sector as a highly risky area for creation of corruption and proposes three strategic goals preventing corruption</i>)	
	2015: EU-BiH Stabilization and Association Agreement (SAA) enters into force following ratification.	Jan 2015: EU-funded Sectoral review of the Forestry sector (FAO) to support (i) BiH's policy improvements, and (ii) IPARD-related programming.			

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EU level	EU accession process	BiH country/ state level	FBiH	RS	Brcko District
	2015: Adoption of the Reform Agenda in BiH.	Incl. comprehensive study, SWOT analysis, investment needs, and recommendations for policy interventions for agriculture and rural development in line with the needs for forest sector development.			
FLEGT AP evaluation EUTR Review	<p>Framework agreement on the rules for cooperation to implement EC financial assistance to BiH under the IPA: BiH must get prepared before (i) it becomes an EU candidate country, and (ii) implementation of the IPARD (Instrument for Pre-Accession Assistance for Rural Development) support is initiated.</p> <p>On-going: - transposition of EU laws and standards to</p>	<p>“Support to institutional mechanisms for combating illegal logging, and enforcement of a controlling and safeguarding system of illegal logging activities”: one of the recommendations of the forest sector study as part of reparatory actions for implementation of the agri-environmental measures and LEADER for the preparation for implementation of actions relating to</p>	July 2015: Preliminary Draft Law On Forests	<p>April 2015: Action plan for preventing illegal woodcutting, stealing and illegal selling of timber assortments</p> <p>June 2015: Measures for redefining organization economic and human resources position of PU Šume Srpske, JSC Sokolac (<i>suggested measures related to the realization of Forestry Development Strategy 2011-2021</i>)</p>	

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EU level	EU accession process	BiH country/ state level	FBiH	RS	Brcko District
	BiH laws; - agreement on institutional structures for decentralised management of IPARD funds.	environment and the countryside.			

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Annex 2: Mission Schedule BiH

Mon 24 August	<ul style="list-style-type: none"> - 09:30 – 10:30 - Briefing meeting at EU Delegation (EUD) - 11:00- 11:45 - Briefing meeting at Directorate for European Integration (DEI) - 12:00 -13:00 - Briefing meeting at Ministry of Foreign Trade and Economic Relations of BiH (MOFTER) - 13:15-14:15 - Meeting at the Foreign Trade Chamber of Bosnia and Herzegovina, and Federation BiH Chamber of Commerce - Travelling to Banja Luka
Tue 25 August	<ul style="list-style-type: none"> - 9:00- 12:30 – Meeting with: <ul style="list-style-type: none"> o RS ministry of Agriculture, forestry and water management, Department for forest and hunting o Faculty of Forestry, University of Banja Luka o Public Forest Enterprise “Forests of the Republic of Srpska“ Joint Stock Company, Sokolac o Association of contractors in forestry - 'Eko – Silva' - Travelling to Brcko - 15:30- 16:30 – Meeting with Brcko District government, department for agriculture, water management and forestry - Travelling back to Sarajevo
Wed 26 August	<ul style="list-style-type: none"> - 9:30- 10:30 - University of Sarajevo, Faculty of Forestry - 10:45- 11:45 - FBiH Ministry agriculture, water management and forestry - 12:00-13:00 - Association of Employers in BiH - 12:30-13:30 - Regional Environmental Center (REC) – Bosnia and Herzegovina - 14:00-15:00 - KJP "Sarajevo Forest“ d.o.o. - 15:00-16:00 - ECO company (furniture, “total design”) - 15:00- 15:45 - UNDP and FAO
Thu 27 August	<ul style="list-style-type: none"> - 10:00-13:00 - Restitution workshop at DEI - 14:30-15:30 - Debriefing session with DEI and MoFTER - 16:45-17:30 - Wrap up session at the EU Delegation

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1. Situation of the country with regard to Forest Law Enforcement, Governance and Trade (“FLEGT”) action

Brazil has not sought a partnership with the EU under the FLEGT Action Plan. To help minimise illegal logging and related trade, Brazil uses technologies and systems which it has developed itself. These include remote sensing of deforestation and a national wood-tracking system.

2. Key Findings

On EQ1 (relevance):

During the 1990s and 2000s, demand for FSC-certified products in the EU and elsewhere, particularly in the paper sector, fuelled by concern for the social and environmental unsustainability – and illegality - of production (particularly in Indonesia, also in Brazil) coincided with a shift towards production of wood raw material from plantations in tropical countries. In Brazil, this helped to stimulate the development of systems and (world leading) technologies to monitor legality and deforestation – at least some of which might be of value through the FLEGT Action Plan, particularly in relation to legality assurance and tracking systems.

However, the national tracking system currently used in Brazil starts “forest gate”, rather than stump. It is widely understood that much of the tropical timber produced in Brazil is laundered either through official concessions (or while in transit, including at saw mills). This was central to recent substantiated concerns under the EUTR which were dropped when the Competent Authority concerned concluded that it did not have the power to dispute the sufficiency of documentation that was complete, valid and in accordance with Brazil’s legislation. In contrast, Operators under the EUTR are obliged to consider whether the risk of laundering is negligible, and to mitigate accordingly. Despite the official outcome of this case, it is said informally that the case has had a significant impact on supply chains which export tropical timber to the EU. However, corruption, fraud and other illegality (including in relation to payment of fees and tax) remain a major concern.[Wellesley, 2014] Stakeholders suggest that there would be less opportunity for fraud if government authorities were more transparent and allow cross-checking. Illegal logging is said to be a primary source of funds for local politicians in the Amazon region.

The scale of deforestation still taking place is very well known. There is a large consensus to minimise it. Public discussion about illegality in the forest sector is much more acceptable than in the past. The government recognises that its tracking system is being abused – the EUTR supplements local pressure from civil society to rectify it. Knowledge about the FLEGT Action Plan is rare, but companies are beginning to engage in due diligence. There is some scepticism about VPAs.

Improved law enforcement since the introduction in 2004 of the Action Plan for the Prevention and Control of Deforestation in the Amazon contributed to a substantial decline in deforestation in Brazil, but it was formally downgraded during 2013. The trend has now reversed,[SEEG, 2014] particularly in the *cerrado*. [Soares-Filho, 2013] During 2012, a controversial new Forest Code was introduced, granting an amnesty to those who, prior to July 2008, had cleared more of that forest than was then allowed, and the percentage of the land which can be cleared has been increased.[WWF et al, 2013] Production of tropical timber in Brazil derives primarily from forest on privately-owned land. Approximately 5% of the area of federal public forest which is designated for use as logging concessions has been allocated.[Wellesley, 2014]

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Violence continues to be associated with logging, particularly in indigenous peoples' territory. Rights to land, particularly those of Quilombola communities, have allegedly also been over-ridden by those establishing pulpwood plantations and tensions continue.²⁸⁹ Formal complaints have been made to the FSC in at least one case.²⁹⁰ A national programme for community forestry was launched in 2009. This is not applicable to settlers who do not have land rights.[Joels, 2013] There is a vigorous movement in favour of land reform,²⁹¹ but recent government policy has tended to undermine indigenous forest people's rights.[Gonçalves, 2015] It is argued that current efforts to minimise illegal logging and related trade try to address the symptoms of the underlying problem – inequality rather than the problem itself.[Chen, 2015]

It is estimated that, for many reasons, illegal timber can reach the final consumer at a cost of 50% less than legal timber (others suggest up to 40%²⁹²). Those reasons include there being no embedded costs of land acquisition (whether from private property or a concession on public land), illegal logging operations typically employ an informal workforce or make use of slave labour and illegal operations evade applicable taxes. The apparent competitiveness of other wood-based products from tropical countries is of course to at least some degree attributable to one or more such matters – and the failure to reflect social and environmental costs of production in prices.[Fanzares, 2014]

On EQ3 (effectiveness - cover Action Areas as applicable):

AA1 (support to producer countries)

Brazil ceased being eligible for bilateral development co-operation funding from the EU during 2014.²⁹³

The Amazon Alternative, established in 2010 with the support of IDH (a Dutch sustainable trade initiative, promotes certification in Brazil and three other countries.²⁹⁴

During 2012, the EC commissioned a three year project to stimulate an enabling environment which would support the achievement of the objectives of the FLEGT Action Plan in Brazil and other countries in South America. One of the aims of the project was to establish benchmarks against which to measure changes in forest governance (including the level of illegal logging and related trade). Information from that project contributed substantially to a report on Brazil which has recently been published by Chatham House [Wellesley, 2014] as part of a series of similar reports under DFID's FGMC programme – thereby tending to optimise the use of both donors' funds.

Germany and Norway jointly contribute to Brazil's Amazon Fund for Forest Conservation and Climate Change.[Forstater, 2013] However, their contribution is small relative to the subsidy which Brazil provides to sectors which are driving that deforestation.[McFarland, 2015]

A Roundtable on Sustainable Tropical Timber has been set up with some of its funding being from the EC.²⁹⁵

Stakeholder meetings at Chatham House are valued by the Brazilians who participate.

²⁸⁹ http://assets.storaenso.com/se/com/DownloadCenterDocuments/Veracel_Bulletin_EN_16_April.pdf and

<http://seculodiario.com.br/24285/10/aracruz-celulose-fibria-acusa-de-roubo-e-consegue-prisao-de-4-quilombolas>

²⁹⁰ <http://wrm.org.uy/actions-and-campaigns/open-letter-denouncing-the-fsc-certification-of-fibria-aracruz-celulose-s-a/>

²⁹¹ <http://viacampesina.org/en/index.php/main-issues-mainmenu-27/agrarian-reform-mainmenu-36/1716-analysis-of-mst-on-agrarian-reform-and-the-agrarian-question-in-brazil>

²⁹² <http://www.wri.org/blog/2013/09/leveling-playing-field-legal-timber-brazil>

²⁹³ http://eeas.europa.eu/delegations/brazil/eu_brazil/tech_financial_cooperation/bilateral_coop/index_en.htm

²⁹⁴ <http://www.idhsustainabletrade.com/hout-news-from-sector/state-concessions-in-the-brazilian-amazon-get-fsc-certified>

²⁹⁵ http://raa.fgv.br/sites/raa.fgv.br/files/arquivos/texto_base_mesa_redonda_en.pdf

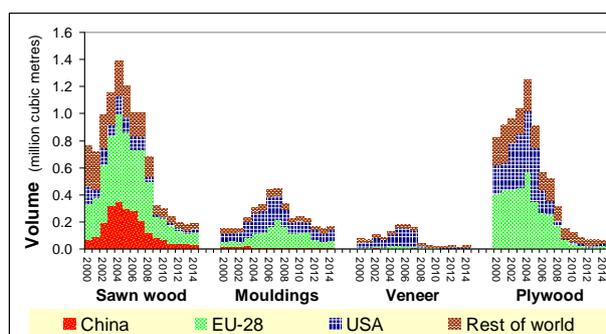
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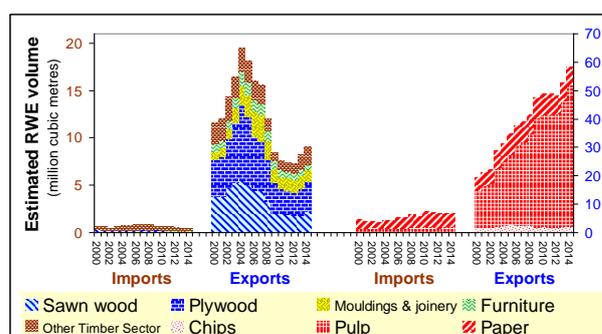
AA2 (trade in timber)

The volume of tropical timber produced in Brazil is amongst the largest of any country (– a little over 30 million cubic metres during the last two years, mainly from the states of Amazonas, Mato Grosso and Pará²⁹⁶). The great majority of this is for end-use in Brazil, mainly in the Amazon region, and much of it is of poor quality. The roundwood equivalent (“RWE”) volume of its exports of tropical timber to all destinations has declined steeply since the middle of last decade, as indicated in the left hand chart below. Brazil has tended to supply between 10% and 20% of the annual RWE volume of tropical timber being imported directly into the EU since before then. A substantial amount of this was FSC-certified. Brazil’s current exports of tropical timber to the EU are used particularly in decking and flooring. Brazil is a leading exporter both of non-tropical timber sector products (primarily sawn wood and plywood of coniferous species) and of paper sector products (primarily as pulp, much of which is milled by companies jointly owned by EU-based paper groups). The wood raw material for those products derives from plantations. Roughly two thirds of the area of pulpwood plantations is said to be FSC-certified compared with about 3% of the Brazil’s tropical forest.

Brazil imports small quantities of timber sector products, mainly from Argentina, China, the EU and Paraguay. Little if any of this - or the much larger quantities of paper sector products which Brazil imports - is likely to be transformed for export to the EU.



Brazil’s exports of “tropical timber”²⁹⁷



Brazil’s imports & exports of wood-based products²

AA3 (public procurement policy)

The recent review of Public Bidding Law (Lei 8.666 de 1993) presented an opportunity to consider national public procurement. The state of Sao Paulo has a policy concerning the procurement of wood (Program Madeira Legal / Cadmadeira) which includes a list of registered suppliers. There is some interest in promoting responsible procurement policy in Rio de Janeiro, and to a lesser extent also in Brasilia. However, the quantity of tropical timber entering end-use in these cities has declined (partly in response to concern about its legality). The national Green Building Council, architects and government are well aware of these concerns – and of the area of certified tropical forest is insufficient to meet demand. The Green Municipalities Program (“PMV”) in Pará, seeks to establish and strengthen economic activities which are not associated with illegal deforestation.

The latter has been stimulated by federal legislation which limits access to credit and markets to those involved in illegal deforestation. Further, the application of different rates of tax, depending on whether products are certified as legal or not, has been advocated.[Fanzeres, 2014]

AA4 (private sector initiatives)

²⁹⁶ “Biennial review and assessment of the world timber situation 2013-2014” ITTO (07 2015)

²⁹⁷ Source: based on AliceWeb (roundwood equivalent “RWE” volumes have been estimated by multiplying volume (in m3/m3) by 1.8 (sawn wood) & 2.3 (plywood), and weight by (in m3/tonne) 1.6 (chips), 2.6 (mouldings), 2.8 (furniture), 3.5 (joinery and paper) & 4.5 (pulp).

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In order to help gain trust in the legality and sustainability of at least some supply chains for tropical timber from Brazil, a trading platform is being established which extensively cross-check the provenance of timber along its supply chain.²⁹⁸ Whether its systems will encourage similar efforts at state or federal level remains to be seen.

The Tropical Forest Alliance and much of the private sector does not need much persuasion to help minimise deforestation – direct engagement might be more effective than regulation, at least in the short term. The UK's FGMC programme is supporting initiatives to describe and promote good practice (not only in Brazil) to large companies whose supply chains may have a substantial forest footprint.

AA5 (finance and investment safeguards)

Hedge funds are more likely take a short-term view than other investors, and are less influenced by reputational risk than longer term investors.

Good corporate practice in Brazil may generate leverage elsewhere (notably Paraguay, Bolivia and Peru) to the extent that those companies have related business interests in those other countries.

Brazil's national bank for social and economic development (BNDES) has been forbidden by a court from lending to a major pulp milling group due to outstanding disputes concerning land rights.²⁹⁹

On EQ2, EQ5, EQ6, EQ7, EQ8, EQ9 and EQ10 (design; achievement of objectives; other, emergent outcomes; contribution to higher objectives; efficiency; sustainability; coherence and added value): Not applicable

3 Main Conclusions and Recommendations

The great majority of illegal logging in Brazil takes place in tropical forest for end-use in Brazil, not for export. Much of this enters the supply chain fraudulently. However, the great majority of the RWE volume of wood-based products which is exported from Brazil derives from plantations and comprises pulp. Much of this is FSC-certified.

Although deforestation in Brazil declined last decade, there is concern that it may have increased in the *cerrado* and *caatinga* forest biomes (whose trees are of little commercial value to the timber and paper sectors). Further, there are signs that that trend has slowed or reversed since about 2013 (partly in response to a relaxation of regulations).

Recommendation 1:

Exchange information about how to recognise and then minimise fraud in supply chains and consider adjusting VPA legality assurance systems accordingly.

Recommendation 2:

Strongly support existing efforts in Brazil to minimise the drivers of deforestation while ensuring that forest land is not cleared elsewhere instead.

²⁹⁸ <http://www.bvrio.org/site/index.php/abvrio>

²⁹⁹ <http://seculodiario.com.br/21613/10/trf2-confirma-bndes-nao-pode-mais-emprestar-dinheiro-a-aracruz-celulose-1>

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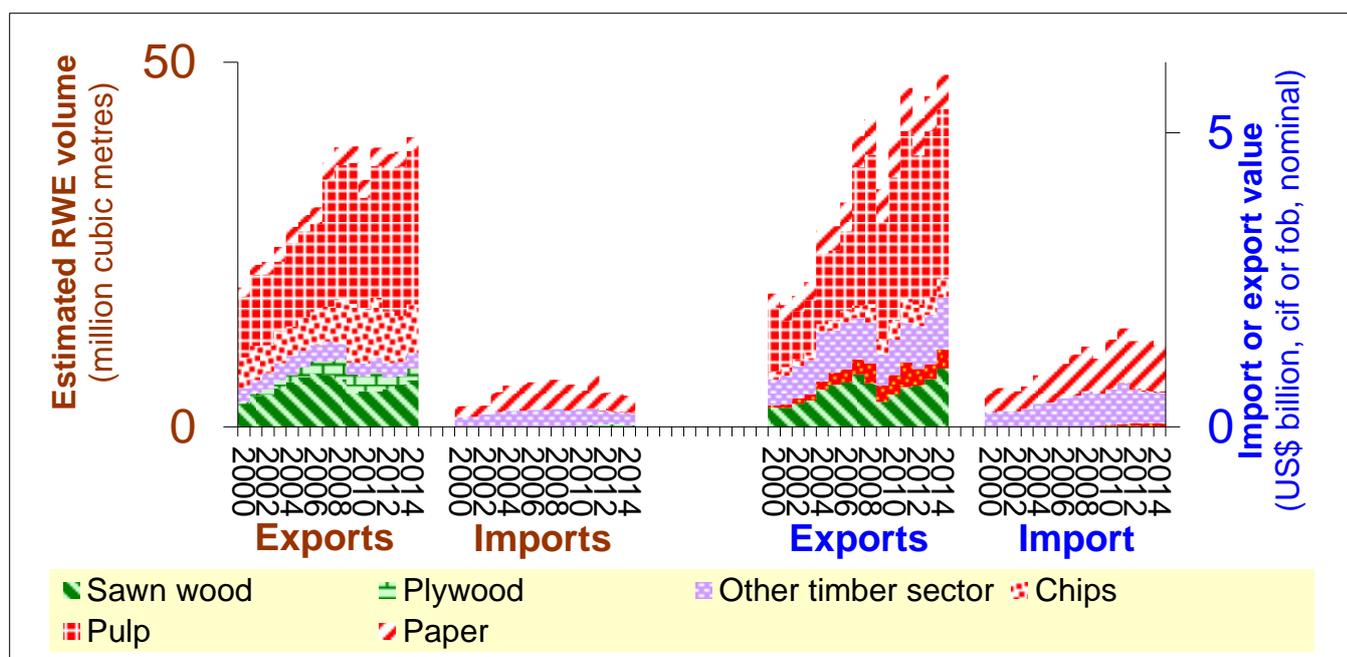
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1. Situation of the country with regard to FLEGT

Industrial forestry accounts for 3% of Chile’s GDP, providing the second largest export commodity after minerals. Chile exports a large quantity of wood-based products. The amount almost doubled between 2000 and 2008, when there was a slight set back due to the international economic crisis, but had fully recovered by 2014, both in volume and in value. In terms of round wood equivalent (RWE) volume, pulp currently accounts for half of the total. Sawn wood and wood chips account for approximately 20% each. Chile also exports substantial quantities of plywood, other panels, mouldings and paper.

As shown in Figure 1 below, in 2014, Chile exported approximately 45 million m3 of RWE of wood, wood products, pulp, and paper products. In terms of value, Chile’s exports amounted to approximately US\$ 6.1 billion (nominal, CIF), of which pulp represented 49% and sawn wood 17%. In terms of volume, pulp represented almost half, while sawn wood and chips represented 15% each of Chile’s exports. These values increased from respectively 28 million m3 of RWE and US\$ 3.5 billion in 2004.

Figure 12 – Chile’s exports and imports of a selection of wood based product in volume (left) and value (right); (2000-2014).



Source: data compiled by James Hewitt (FLEGT evaluation team) based on Servicio Nacional de Aduanas and UN Comtrade.

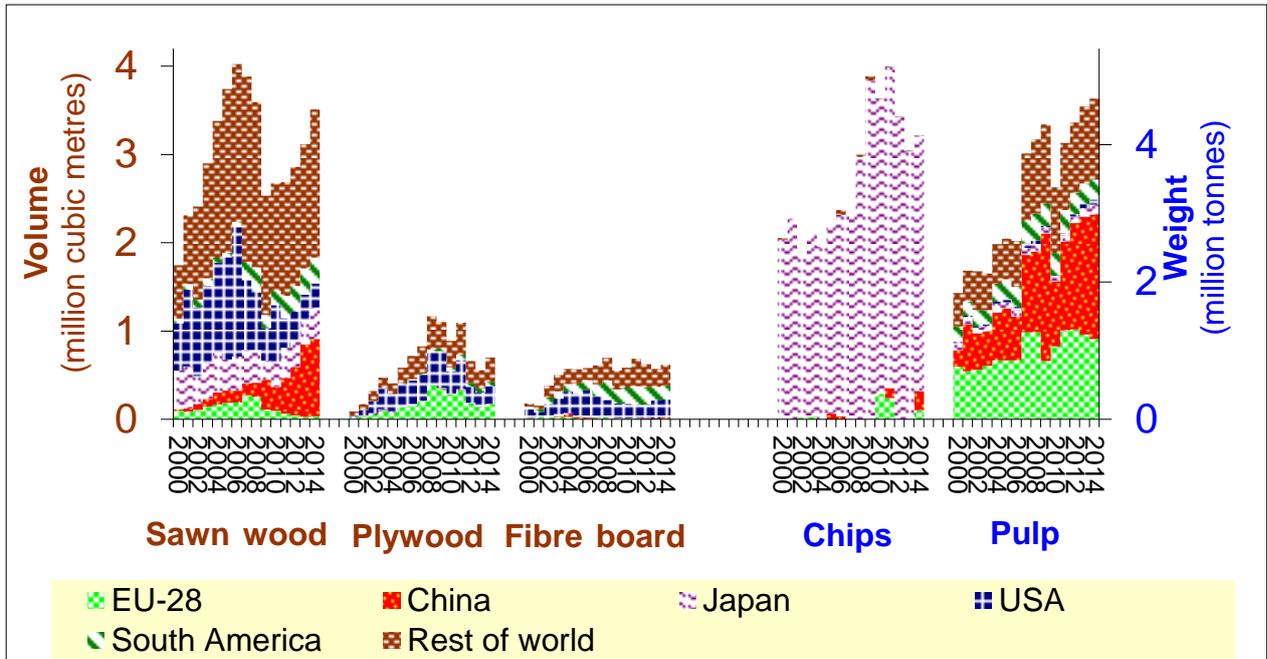
The great majority of the wood used by the timber and paper sectors in Chile derive from plantations, of mostly pine and eucalypt species. Much is FSC and/or PEFC-certified³⁰⁰. Plantation forestry boomed during military government that allowed for privatization of large extends of public lands and subsidized plantation establishment from the early seventies of the last century. The forest plantation area in Chile increased from 0.3 million ha in 1973 to 2.7 million ha in 2014. However, the clearance of land (often forested) for those plantations was controversial – ignoring indigenous peoples rights and converting agricultural land and natural vegetation into monocultures.

³⁰⁰ According to FSC (www.info.fsc.org) FSC certified area amounted 2,346,291 ha in November 2014. According to PEFC (www.pefc.org) PEFC-certified area in Chile actually amounts 1,931,349 ha. Most of the larger exporting companies have a double certification, to facilitate specific desires of their clients.

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As shown in Figure 2 below, in 2014 in terms of RWE volume the EU accounted for roughly 25% of Chile’s exports of pulp and plywood. The RWE volume of timber sector products exported to the EU in 2013 was the lowest for more than a decade. The weight of pulp and paper being exported to the EU has changed little for several years.

Figure 2 – Chile’s exports of a selection of wood based product in volume (left) and weight (right); (2000-2014).



Source: data compiled by James Hewitt (FLEGT evaluation team) based on Servicio Nacional de Aduanas and UN Comtrade.

The USA and Mexico are the destination for an important part of the remainder of the plywood and much of the other panels (the rest being exported to Colombia and Peru).

China is the destination for a rapidly increasing share of the increasing quantities of sawn wood and pulp which are being exported from Chile. Exports of sawn wood to the USA and Mexico are declining.

More than 90% of the wood chips which Chile exports are destined for Japan. Much is supplied by Volterra, from their eucalypt plantations in Regions 8 and 9 and from third party suppliers. Forestal Anchille, Daio Paper and Itochu supply much of the remainder – partly from controversial sources. Volterra and Anchille both have FSC/COC certification.

Three companies dominate production in Chile (other than of wood chips for export): Masisa, Arauco and CMPC. Masisa is the leading producer of panels other than plywood. Most of its plantations are FSC-certified. Arauco³⁰¹ mainly produces pulp, sawn wood, plywood and other panels. It owns a substantial area of native forest and most of its plantations are certified (PEFC and partly FSC). CMPC is an important producer of pulp and paper and also of sawn wood. Much of its wood raw material is FSC-certified.

³⁰¹ The annual capacity of Arauco includes 3.2 million ton of air-dried pulp, 2.9 million m3 of sawn timber and 5.9 million m3 of panels.

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According to Chatham House³⁰², illegal logging in Chile received little attention from the media and from NGOs in recent years, although Greenpeace investigations in 2005 denounced a lack of action on the part of the National Forestry Service (CONAF) to protect the country's alerce trees (see below) against illegal felling. Although there has been some criticism on social and environmental aspects of plantations, quite a considerable percentage of the plantations has been certified as sustainable³⁰³.

According to the National Forest Service (CONAF)³⁰⁴, the organization responsible for among others ensuring compliance with Chile's forest legislation, Chile's export consists for 99.9% of timber harvested from exotic timber species plantations, while 0.1% originates from native forest species. Native species like alerce (*Fitzroya cupressoides*) and monkey puzzle tree (*Araucaria araucara*) have been listed in Appendix I of CITES since 1976 and as such their export is strictly limited (in fact there is no legal supply of these species in the international market and only specimen for research may be exported under restrictions). Approximately 50% of the plantations is certified for SFM.

Illegal logging in Chile is mainly related to non-compliance with management plans (plantations) or logging without a logging permit (native forest). CONAF is responsible for the control on compliance with forest management plans (in forest), during transport of logs and forest products (on road) and when in storage and during processing (companies), considering volumes, species, documents, use of QR codes. Illegal logging is also monitored by air and by satellites; such new technologies allow control of remote areas and support court cases with hard evidence. In recent years CONAF has been increasing the number of control operations, amounting to approximately 6,500 in 2012. In that year approximately 500 cases of illegalities concerning natural forest and 100 cases concerning forest plantations were identified (the former showing a slight increase, the latter showing a slight decrease). Offenders have to pay fines, face confiscation of products and - where applicable - have the obligation to present a Corrective Management Plan. CONAF has developed a National Forest Strategy to adequately implement its tasks on monitoring compliance with the Chilean laws. Since 2011, in view of increasing its monitoring effectiveness, CONAF has also obtained ISO-9001 certification.

As can be seen from Figure 1, Chile also imports some wood products, mainly paper, some pulp and other products. According to FAO-STAT in 2012 Chile's main suppliers (in order of decreasing importance) for paper included the USA, Brazil, Finland, Germany and Italy. A significant amount of pulp was only imported from the USA. Main suppliers of plywood were China, Brazil, Uruguay and Paraguay, while sawn timber was mainly imported from Canada and the USA. Given their origins most of the imported materials would not rise major concerns on illegality. According to Forest Trends (2013) Illegal logging is not considered a significant problem in the softwood and eucalyptus plantation forests of Southern Brazil and other temperate regions of Latin America. These plantations are generally managed by large companies and over 50% of the area is certified. It is not clear whether the plywood imports from China concerned Chinese poplar or re-exported tropical species from Asia or Africa. In the former case the chance on illegal materials would be limited; in the latter case however, they would be high.

2. Main Observations

On EQ1 (relevance):

³⁰² www.illegal-logging.info

³⁰³ SFM certification schemes are taking into consideration indigenous rights and conversion criteria; with respect to the latter, the "cut-off" dates are respected and it has been argued that much of the reforested areas were non-used agricultural lands rather than natural vegetation.

³⁰⁴ CONAF, 2013. Chile's efforts to combat illegal logging. Asia Pacific Economic Cooperation. 2nd Meeting of Ministers Responsible for Forestry; 14-16 August, Cuzco, Peru. Presentation by Eduardo Vial Ruiz Tagle.

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Chile's forest production does not feature significant problems of illegality, especially not the plantations from where the wood products for export are harvested, of which at least half has a sustainable forest management certificate (PEFC, FSC, or both). All major sawmills and pulp mills have a CoC certification.

On EQ3 (effectiveness)

AA1 Support to Producer Countries

According to the EC and Member States Survey (2015), conducted as part of this evaluation, an amount of €1.1 M direct support and €0.9 M of indirect (regional) support is estimated to have been spent on Chile by the EU and its MS in the period 2003 - 2014. It is not specified on what activities the amount would have been spent.

The strategic planning document of CONAF (Morales Saez, 2015) suggests that:

- CONAF considers legal compliance monitoring mainly as an institutional task, but they may search support of public society to enable them to strengthen monitoring actions against citizens;
- CONAF considers citizen participation mechanisms (dissemination, training and picnics) mainly as a means to inform and educate stakeholders on forest legislation, in the hope that it will lead to their increased compliance with the law;
- Stakeholders (schoolchildren, students, direct forest resource users, elderly people, indigenous people, NGOs) are to be made aware and may possibly be trained.

The document also indicates that CONAF:

- does inform stakeholders on forest legislation through a website (in Spanish and English);
- has developed android applications for specific monitoring operations, e.g. "Road Controls";
- is developing a project to provide mobile field support to staff, through the provision of tablets with multiple functions (GPS, video, camera, maps, spreadsheets, etc);
- has managed to secure additional funding, enabling CONAF to improve equipment and to increase the number of control operations in the field, at sea and in the air;
- the use of aerial and satellite surveying techniques has enabled detection of illegal operations in remote and/or difficultly accessible areas);
- due to the use of above technologies in Chile, the country had not been included in a project on forest governance by INTERPOL, which involves other (less advanced) Latin American countries.

Challenges mentioned include:

- Additional new verification techniques and equipment are needed, such as: GPS, drones;
- A tracking system is yet to be developed; a systematic monitoring system covering the full chain of custody is yet to be implemented;
- There is a need for strengthened coordination with other governmental institutions involved in environmental monitoring.

AA2 (trade in timber)

Timber trade as an important activity for Chile, with the forestry sector being the second contributor to the GDP. Although Chile imports some wood and wood products, there is a significant surplus in export. As most of the timber exported to the EU is SFM certified, its legality is inherent.

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The EUTR might cause some concern especially to Chilean suppliers to EU operators that are not certified and for whom further due diligence would be required. However, as most of the Chilean suppliers of timber products to EU operators are certified by PEFC and/or FSC, it can be expected that there have been no major negative effects for Chilean exporters.

AA3 (public procurement)

According to Weller et al (2008) public procurement in Chile is governed by Law 19,866 of July 2003 (the Law on Procurement) that regulates the contracts of public supply of goods and services. This law is complemented by the Procurement Regulation which provides further details regarding the regulation of the public procurement process. A public authority must abide by the law whether it is purchasing or renting goods or products. Although these cover all public political, economic and administrative bodies, state companies are specifically excluded from the Law on Procurement. As a result of the Law on Procurement, the “Dirección de Compras y Contratación Pública” (Public Procurement and Contract Direction) was established. Thanks to its internet portal, www.chilecompras.cl, public procurement in Chile is centralized and to a large extent digitalized. According to the Chilean Ministry of Environment (2014) Chile has begun a process to establish environmental criteria for products and services in public procurement. The document develops some priority examples, including printing paper, for which FSC and PEFC are rated positively. References to procurement requirements regarding legal and/or SFM wood have not been encountered,

AA4 (Private sector initiatives)

No indications were encountered of private sector initiatives, other than the use of forest certification. Certification bodies like SGS have been involved in awareness creation and training of companies, in order to prepare them for the EUTR, through the organization of webinars on this topic.

AA6 (Other legislation)

Beyond its national legal framework, Chile is also committed to a series of international actions and conventions against illegal logging. Chile is among others a party to the CITES Convention, to the UN Forum on Forests, to the International Tropical Timber Agreement, the UN Convention to Combat Desertification, the UN Convention on Climate Change. It is also party to regional initiatives, such as the Asia Pacific Forestry Commission of the FAO and the Asia Pacific Economic Cooperation (APEC).

On EQ5 (achievement of objectives)

Improved governance

As can be read in the above paragraphs monitoring operations have become more frequent and may have become more efficient over the past few years, due to improved strategies, techniques (use of air patrols and – photos, use of satellite images), and equipment (GPS, QR code readers, drones, etc).

Reduced amount of illegal timber on the EU market

Most if not all of the timber and/or timber products exported from Chile to the EU is SFM certified (FSC, PEFC, both). The certified area has further increased during the last years, which may have had a slight positive effect on the legality of timber imports from Chile on the EU market.

On EQ6 (emerging outcomes)

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No emerging outcomes have been identified

On EQ7 (contribution to higher objectives)

Sustainable Forest Management

In view of forest certification in Chile there has been a strong focus on SFM.

Poverty

According to a recent study³⁰⁵, critics say the rapid expansion of plantation area in Chile has taken a high social and environmental toll.

Establishment of plantations on land that indigenous communities claim as their ancestral territory has sparked conflicts, as it reduces access to sacred lands and eliminates the native forests where the people's protective spirits dwelled.

Also, economic development does not automatically follow this type of investment, and there are signs that it could make it harder for people to pull themselves out of poverty. Plantations are less labour-intensive than traditional small farms, and the people they hire are generally semi-skilled employees from out of town, rather than local unskilled agricultural workers.

Critics also blame plantations for absorbing large amounts of fresh water, reducing the supplies available for local agriculture. Combined with the replacement of farms by plantations, that further shrinks the job market for unskilled agricultural workers.

3. Main Conclusions and Recommendations

Conclusion 1

Although illegal logging occurs in Chile, it is a limited problem, mainly related to native forest, and the Government of Chile, through CONAF, has increased its efforts to deal with it in a more effective way during recent years (probably within the context of FLEGT support for producer countries received). Control operations have shown a slight decrease in illegality cases in plantation forestry. At the same time almost all (99.9%) of the export wood products originate from forest plantations, of which over 50% is certified for SFM (FSC, PEFC or both). This means that the risk of illegal timber being part of forest products exported from Chile is rather limited. Chile also imports some wood products from other countries including Brazil, China, Canada, Finland, Germany, Italy and USA. The wood products imported from Brazil, Northern American and European countries are of low risk. The status of the plywood imported from China is unclear, as it may concern low risk poplar produced in China as well as high risk tropical hardwood timber, originating from Africa or Asia, being re-exported by China.

Recommendation 1

In order to reduce the risks of illegally harvested timber imports being placed on the Chilean market develop an import regulation similar to EUTR, requiring legality compliance with the legislative context of the producer country.

Conclusion 2

³⁰⁵ <http://blog.cifor.org/34622/growth-in-chiles-plantations-may-have-spelled-growth-in-poverty?fnl=en>

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Limited information seems to be readily available related to FLEGT activities in Chile. This applies as well to budget information and monitoring of illegal logging.

Recommendation 2

Develop and implement a monitoring system related to FLEGT actions, enabling overview and strategic decision making.

Conclusion 3

Although apparently more than half of the forest plantations has been SFM certified, there has been quite some criticism related to the way many plantations were established during the military government, without considering the land tenure rights of the indigenous people and converting natural vegetation and/or small scale farmland into plantations. This approach even may have aggravated poverty conditions of the local population.

Recommendation 3

Develop guidelines to consider and enhance the rights and benefits of indigenous and local populations, e.g. in line with UNDRIP, and implement a programme to systematically screen the real conditions of plantations (certified and non-certified) in order to identify and deal with deviations.

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Annex 1 – List of documents

17. Anderson, K, Lawrence D, Zavaleta, J. And Guariguata, M.R. (2015); More Trees, More Poverty? The socio-economic effects of tree plantations in Chile, 2001-2011. Environmental Management, Springer. (<http://blog.cifor.org/34622/growth-in-chiles-plantations-may-have-spelled-growth-in-poverty?fnl=en>)
18. Chatham House (2015) (www.illegal-logging.info)
19. FLEGT Evaluation (2015). EC & MS Survey on FLEGT.
20. Forest Trends (2013); European Trade Flows and Risk.
21. FSC (2015); facts and figures on certificates, November 2014 (www.info.fsc.org)
22. PEFC, 2015; PEFC certificate register, June 2015 (www.pefc.org)
23. FLEGT Evaluation (2015). EC & MS Survey on FLEGT.
24. Forest Trends (2013); European Trade Flows and Risk.
25. Ministry of Environment, 2014; Manual on Sustainable Public Procurement - With a Focus on Cost-Benefit Analysis (CBA)- Document prepared by: Environmental Information and Economics Division, Ministry for the Environment, Chile
26. Morales Saez, S. (2015). Forest National Strategy for Enforcement. Period 2014-2018. CONAF. In: "Status, opportunities and challenges for timber products market in the Asia-Pacific Region"; APF Net.
27. Vial Ruiz Tagle, E. (2013), Chile's Efforts to Combat Illegal Logging, presentation at 2nd Meeting of Ministers Responsible for Forestry, Asia Pacific Economic Cooperation, 14-16 August 2013, Cuzco, Peru.
28. Weller, C, Claro, E and Blanco H, 2008. Green Public Procurement. Where do we stand in Chile? International Institute for Sustainable Development – IISD.

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1. Situation of the country with regard to FLEGT action

The USA is actively engaged in seeking to minimise illegal logging and related trade. Under its legislation prohibiting inter-state and international trade in illegal wood-based (and other plant and wildlife) products, the USA has initiated proceedings in a small number of cases of particular relevance. These include cases against high-profile companies in the musical instrument and wooden flooring sectors (which have greater resonance with the general public than the construction sector), and for illegal logging within the USA. In one case that action focussed on supplies through China (which stakeholders perceive to be one of the USA's leading suppliers of illegal wood-based products) from eastern Russia. This part of Russia does not directly supply significant quantities of timber sector products to the EU and the USA, but is the source of most of China's imports of illegal non-tropical wood raw material.³⁰⁶

US government officials liaise increasingly with their counterparts in EU Member States concerning the implementation of legislation prohibiting illegal wood-based products, particularly through the Timber Regulation Enforcement Exchange.³⁰⁷ The USA also liaises with the EU in VPA countries, notably in relation to its Liberia Forest Initiative.

The USA helps promote both a broad range of research into forest governance and technical assistance concerning tropical forest management. For a free trade agreement (signed in 2007), the USA insisted on the inclusion of an Annex devoted to forest management. Although the impact of this has been unclear given continued pressure for forest clearance and the prevalence of violence and corruption in that country (Peru), the US government has been petitioned to verify the legality of timber supplied to the USA by a number of companies in Peru.³⁰⁸

The structure of the USA's timber and paper sectors has been unaffected the Lacey Act, and neither have Canada's exports to the USA (Canada having sought exemption from it)

2. Key Findings

On EQ1 (relevance):

The USA is relevant to the FLEGT Action Plan for a number of reasons, primarily by supporting efforts to prohibit the placement of illegal wood-based on the EU market. The USA has prohibited illegal trade in many wood-based products since 2008 by amending its existing legislation. That legislation, the Lacey Act, requires compliance with legislation in the country of origin - whether the USA or elsewhere. In terms of enforcement (rather than application), the product scope has been broadened in phases. For example, wooden furniture other than seats was scheduled to come into the scope of enforcement only from August 2015³⁰⁹. It covers a slightly different range of products to those covered by the EC's regulation 995/2010 (the "EUTR"). It also differs from the EUTR by being a border control measure. For imports, it requires data about each consignment to be reported to the customs service – including the species and country of origin. Untruthful declarations may be prosecuted, as can false labelling. However, there has not yet been any substantial effort to derive benefit from the very large quantity of data submitted to the customs service from each consignment.

³⁰⁶ In this Aide Memoire, timber sector products are defined as wood-based products which are neither fuel nor for end-use as paper, paper sector products are defined as paper and wood-based raw material for paper, and tropical wood is defined as deriving from natural tropical forest.

³⁰⁷ <http://forest-trends.org/event.php?id=1176>

³⁰⁸ <http://eia-global.org/news-media/us-government-requested-to-use-free-trade-agreement-to-take-action-on-illeg>

³⁰⁹ <http://www.regulations.gov/#!documentDetail;D=APHIS-2008-0119-0288>

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At the end of 2004, the American Forest & Paper Administration published an assessment (widely cited) concerning illegality in the context of the USA's bilateral imports of a certain forms of wood-based product.³¹⁰ Attempts to evaluate the impact of the amended Lacey Act on the USA's trade have been made. One which has been published finds that changes in the price and quantity of the USA's imports of sawn wood and plywood since the Lacey Act was amended have been consistent with what they would be if illegality had declined.³¹¹

On EQ3 (effectiveness - cover Action Areas as applicable):

AA1 (support to producer countries)

In addition to the amended Lacey Act, the US government has provided support to promote good forest governance in several countries, notably through the President's Initiative Against Illegal Logging, which was launched in 2003. Although USAID is not allowed to support commercial forestry, it has supported the Tropical Forest Foundation's work on initiatives promoting Reduced Impact Logging, including in some countries which have VPAs.³¹²

Through USAID and Australia's Illegal Logging Regional Capacity Building Partnership, the USA funds the Responsible Asia Forest and Trade ("RAFT")³¹³ initiative, which seeks to influence the development and implementation of the corporate and public sector practices needed to make improvements in the context of REDD+.

USAID also provides financial support for the Forest Legality Alliance – a joint initiative between the World Resources Institute and the Environmental Investigation Agency. The Forest Legality Alliance is an international, multi-stakeholder initiative designed to achieve better forest governance and biodiversity conservation by 1) reducing demand for illegal wood-based products and 2) increasing the capacity of supply chains to deliver legal wood and paper.

In addition to its other contributions to good forest governance, the World Resources Institute has a focus on the remote measurement of changes in forests (notably through Global Forest Watch) – and receives some support for this through the UK's contribution to the FLEGT Action Plan. Forest Trends has also received funding from the UK, particularly for studies and convening meetings.

The evolution of the FLEGT Action Plan will have been influenced by The Forest Dialogue and academic research in the USA concerning forest governance.

A number of philanthropic foundations have not only provided funding for initiatives to improve forest governance, but have also contributed to the strategic thinking about how best to address forest governance and deforestation globally.

³¹⁰ "“Illegal” Logging and Global Wood Markets: The Competitive Impacts on the U.S. Wood Products Industry” Seneca Creek and Wood Resources International (11 2004)

³¹¹ "The impacts of the Lacey Act Amendment of 2008 on U.S. hardwood lumber and hardwood plywood imports” JP Prestemon (11 2014)

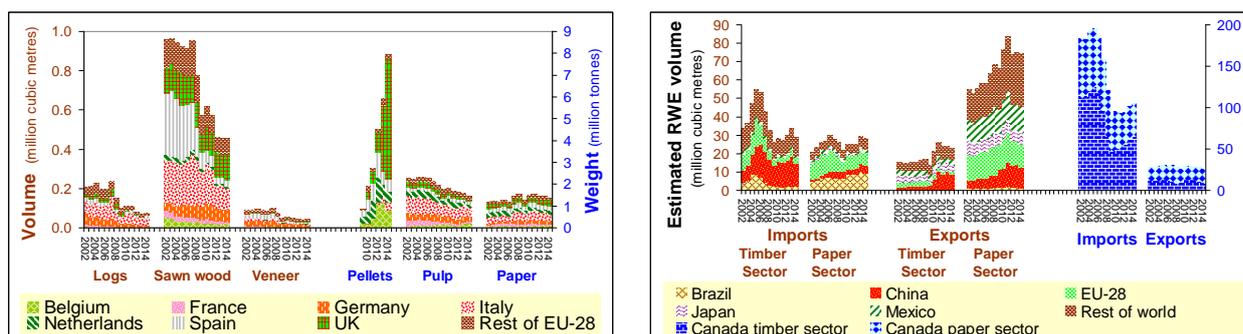
³¹² <http://www.tff-indonesia.org/index.php/en/home-2/organization>

³¹³ <http://www.nature.org/ourinitiatives/regions/asiaandthepacific/responsible-asia-forestry-and-trade.xml>

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AA2 (trade in timber)



EU-28 imports from the USA – selected products³¹⁴

The USA's exports of wood-based products³¹⁵

The charts above indicate that, in the timber sector, there was a steep decline in imports during the middle of last decade. This is consistent with recession in the USA's housing market. The decreases tended to be similar irrespective of the probability that their exports might be illegal.

For several years, the quantities being imported from the USA by the EU as a whole have tended to decline. This is not related to the FLEGT Action Plan – which would tend to give exporters in the USA an advantage over their competitors in countries whose exports have a substantial probability of being illegal. As the right hand set of charts indicates, the USA's exports to other countries (primarily China) and its imports from Canada have increased during the last few years. This tends to confirm the view that EU markets are less attractive to suppliers in the USA than those elsewhere, including within the USA.

Much of the abrupt fall in volume of sawn wood is attributable to one EU Member State – Spain. Perhaps the most prominent trend concerns wood pellets – the supply of which is controversial not least due to its impact on forests in south eastern USA. The great majority is being burned in a single UK power station which, despite its greenhouse gas footprint, accounts for much of the UK's subsidy for "renewable" electricity generation.

As the right hand chart above indicates, China supplies roughly half of the roundwood equivalent ("RWE") volume of the timber sector products which the USA imports – if one excludes imports from Canada.

Research published by Chatham House indicates that China has supplied a large majority of the "illegal" wood-based products which the USA has imported since the first half of last decade (- most of the total comprises wooden furniture and plywood).³¹⁶ That evaluation recognises that a product is illegal if at least one of its components (or, if paper, any of the pulpwood from which it derives) was illegal.

³¹⁴ Source: based on Eurostat (anomalies revised UK 2007 sawn wood and 2013 pellets), data for pellets not published alone before 2009.

³¹⁵ Source: based on estimates presented by UN Comtrade; roundwood equivalent ("RWE") volume estimated by multiplying volume (in m³/m³) by 1.8 (sawn wood) & 2.3 (plywood) and (in tonne/m³) by 1.6 (pellets and chips), 2.8 (furniture), 3.5 (paper) & 4.5 (pulp).

³¹⁶ "Trade in Illegal Timber - The Response in the United States" M Momii (11 2014)

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Some stakeholders in the USA perceive that although commendable progress has been made in Indonesia to establish a legality assurance system, underlying problems have yet to be resolved, (including in relation to social conflict³¹⁷).

AA3 (*public sector initiatives*)

Public sector initiatives concerning procurement of wood-based products tend to be at local level, from states, through counties to hospitals and universities (whether or not in the public sector)

AA4 (*private sector initiatives*)

A number of national trade associations have been very supportive of the amended Lacey Act and developing programmes which promote due diligence to their members. In doing so, they have sought - and received - input from stakeholders in the EU. The International Wood Products Association (“IWPA”), the leading international trade association representing the North American imported wood products industry, is particularly active internationally, including in China and Myanmar – and works closely with the Global Timber Forum (a Private Sector initiative supported by the UK under its contribution to the FLEGT Action Plan). The IWPA has launched an initiative supported by the US government to develop the export of timber that is both legal and from sustainably managed forest in Myanmar³¹⁸.

Much of the area of forest that is actively managed in the USA is certified under either the FSC or the SFI (endorsed by the PFC) schemes. However, stakeholders consider that awareness of the rationale for certification - from sustainability to the promotion of a brand - is much lower in the USA than in the EU. Nevertheless, WWF’s Global Forest and trade network is active in the USA, particularly in the paper sector. Efforts have been made to facilitate the certification of groups of small forest holdings, particularly those from which wood is only occasionally extracted for commercial purposes.³¹⁹ Efforts have also been made to demonstrate that timber of hardwood species deriving from natural forest in the USA has negligible risk of illegality – both to assist supply chains in the USA in the context of the amended Lacey Act) and with a view to satisfying criteria for public procurement policy in EU Member States and to assist in due diligence in the context of the EUTR.³²⁰

AA5 (*finance and investment safeguards*)

The USA and a number of large US-based companies are participating in the Tropical Forest Alliance. Although the focus of the Tropical Forest Alliance tends to be on products which contribute to deforestation and related illegality, its members do have some influence in VPA countries (and membership includes the governments of two VPA countries).³²¹ The Carbon Disclosure Project [UK Aide Memoire] promotes the deployment of forest-related safeguards to financial centres in the USA (in addition to those in the EU). The Rainforest Action Network has received financial support through the UK’s contribution to the FLEGT Action Plan to address the financing of deforestation for commercial agriculture.

³¹⁷ “False Assurances - A Briefing for International Buyers and Customs Authorities on how Indonesia’s Timber Legality Verification System Fails To Protect Community Rights” E Harwell and L Cortesi for RAN (04 2015)

³¹⁸ <http://www.iwpawood.org/news/185333/>

³¹⁹ <http://www.americanhardwood.org/sustainability/responsible-sourcing/certification/>

³²⁰ “Assessment of Lawful Harvesting & Sustainability of US Hardwood Exports” A Goetzel *et al* for AHEC (10 2008)

³²¹ <http://www.tfa2020.com/index.php/about-tfa2020/current-tfa-2020-partners>

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On EQ4 (implementation management and coordination):

More progress has been made in some EU Member States than in the USA concerning due diligence for legal and preferably sustainably sourced wood-based products. This partly reflects the need for Competent Authorities in the EU to (at least initially) guide Operators (and, to a lesser extent, Traders) concerning the requirements of the EC's Regulation 995/2010 (the "EUTR") which, unlike the Lacey Act is not a border control measure. It also partly reflects the way in which the trade perceives timber – by grade, not provenance. Nevertheless, the Lacey Act is well known to those who hunt or fish.

Stakeholders comment that the amended Lacey Act has focussed attention towards legality, not sustainability – a risk which the EU faces with if VPAs and FLEGT-licensing is imbalanced.

Independently of the EC, regulatory authorities in the USA are increasingly liaising with their counterparts in EU Member States, and there is close liaison between advocates for the private sectors in those countries – as indicated at EQ1 and AA4 above.

On EQ5 (achievement of objectives):

As indicate at EQ1 above, it is likely that the illegality of the USA's imports of particular forms of wood-based product from particular countries has declined. This is in addition to the decrease in the physical quantity of those imports mentioned at AA2 above.

On EQ6, EQ7, EQ8, EQ9, and EQ10 (Other, emergent outcomes, contribution to higher objectives, efficiency, sustainability, coherence and added value):

The amended Lacey Act and the EUTR are mutually supportive – not least in each requiring transparency along supply chains, generating perceptions that the shift towards legality and certification is permanent and of a scale which can justify adjustments to the supply chain. Stakeholders recognise that the cost of due diligence if supply chains are complex or not transparent might make continued procurement from some countries hard to justify. They also recognise the additional leverage which well co-ordinated joint, rather than individual, presentations by representatives of the USA, the EU and Australia might have in target countries.

In addition, stakeholders also consider that the Lacey Act (supported at least by awareness of the FLEGT Action Plan) has had a fundamental impact in pulling through improvements in large companies' procurement of wood-based products, but has also influenced their procurement of other products. The existence of the FLEGT Action Plan and its progress will have contributed to the US government's resolve not to water down the Lacey Act in response to free-market advocacy at the time of the Gibson Guitars case.

Conversely, perceptions remain that implementation of first the Lacey Act and now also the EUTR appears light weight – i.e. insufficiently to justify some suppliers changing norms of business practice.³²² Budget constraints help explain why implementation of the Lacey Act in the context of wood-based products appear to have been light.

³²² Second bullet point page 16th page "International Workshop on Promoting Legal and Sustainable China-Russia Timber Trade" Forest Trends (02 2014) http://www.forest-trends.org/documents/files/doc_4252.pdf

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3 *Main Conclusions and Recommendations*

The regulatory authorities of the USA and EU Member States liaise with each other concerning their legislation prohibiting illegal wood-based products. There is also liaison between USAID in and others in VPA countries in the context of forest governance, and (particularly in relation to East Asia) between trade associations in the USA and EU. USA-based entities have received funds from the EU, particularly the UK, for a range of forest governance-related activities, including studies, remote sensing, and the convening of stakeholder meetings.

The RWE volume of illegal wood-based products being imported into the USA will have declined substantially since 2003, due primarily to weakness in the USA's housing market. There is also evidence that the illegality of the USA's imports of sawn wood and plywood from a number of countries has also declined. Buoyant markets in the USA and in China have contributed to the decline in the USA's exports of timber sector products to the EU, as has the decrease in demand from the EU. The EUTR is welcomed in the USA, not only because it supports the amended Lacey Act, but also because it has helped improve the leverage which US importers have in procuring products which are demonstrably legal.

China is probably the USA's (and the EU's) leading supplier of illegal wood-based products.

Recommendation 1:

Continue to facilitate liaison between the regulatory authorities, and between trade associations, particularly in respect of trade via China.

Recommendation 2:

Increase the emphasis on legislation which seeks to ensure sustainability and minimise deforestation, including by engagement with leading agricultural commodity trading companies.

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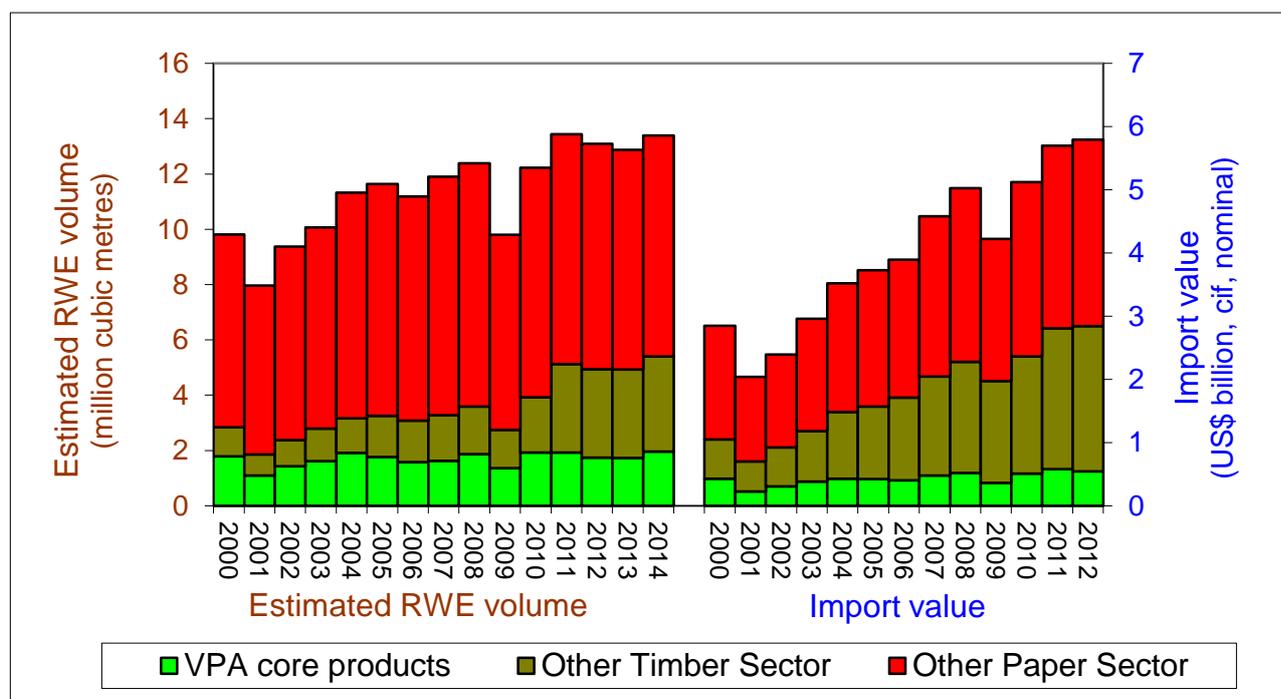
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1. Situation of the country with regard to FLEGT

Compared to other consumer regions such as the EU, the USA, and Japan, Australia is a significantly smaller market. However, its relevance with regard to FLEGT consists in being the third jurisdiction after the EU and the US having enacted a legal framework against illegal logging and, for the moment, the only country in the Asia-Pacific region. As the Australian framework took inspiration – and distance where considered necessary – from the EU FLEGT AP and the EUTR, it is a very good ‘natural’ experiment to learn lessons from a second-mover in this area.

As shown in Figure 12 below, in 2014, Australia imported 13.4 million m³ of RWE of wood, wood products, paper, and paper products. In terms of value, Australian imports amounted to \$ 5.8 bln (nominal, CIF), of which wood and wood products represented 55% of this value. In terms of volume, paper and paper products represented more than half of Australian imports. These values increased from respectively 11.6 million m³ of RWE and \$ 3.5 bln in 2004.

Figure 13 – Australian imports of wood based product in volume (left scale) and value (rights scale). (2000-2014)



Source: data compiled by James Hewitt (FLEGT evaluation team) based on trade statistics of UN Comtrade

According to estimates, in 2013 imports at risk of illegality in Australia amounted to about 7% of total imports, in terms of volume, that is to about 900,000 m³. Main sources of illegal timber or paper products would be China, Indonesia, and Malaysia.³²³

Concerning all timber and paper products, China is the main exporter to Australia, with an imports share, in volume, of 24%. The EU follows with 21% of Australian imports; Indonesia and Malaysia account respectively for 5% and 4%. China has more than tripled its imports share in 10 years, as in 2004 it only represented 8% of Australian imports of timber and paper products. The EU, Indonesia and Malaysia imports share remained fairly stable, while New Zealand dropped from 23% to 14%, in terms of imports volume. Concerning ‘VPA core products’, i.e. those to be included in any FLEGT VPA agreement, Australia imported in 2014 1.96 million m³ of RWE. The EU is the major exporter, with

³²³ Cf. also Jakko Poyry Consulting, 2005

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600,000 cubic meters; New Zealand and China follow, while Indonesia and Malaysia account respectively for 120,000 and 170,000 cubic meters.

Concerning imports of tropical timber and wood products, the range of sources supplying the Australian market is limited. Most tropical wood comes from South-East Asia, and in particular from Indonesia and Malaysia. Some imports originate from Papua New Guinea, while marginal shares originate from Africa and South America. According to the sources interviewed, the volume of tropical wood imports is declining, especially because of the substitution effects from engineered wood products (high-beam, panels) of plantation origins. Few Australian companies are active on the ground as loggers; most of them only import wood from tropical countries. Australian players play a role only in Papua New Guinea, but little wood is directly imported from there and mostly enter the Australian market as processed, through Malaysia and China. All in all, imports of furniture products from South East Asia are more significant than wood. However, the lion's share in manufactured wood products in the Australian market is played by China.

Against this framework, in 2012 Australia enacted the 'Illegal Logging Prohibition Act', that is its legal framework against illegal logging. This was made fully operational through a secondary regulation, the 'Illegal Logging Prohibition Amendment Regulation 2013 (No. 1)'. While the prohibition to import illegal wood is operational since 2012, the overall framework, including due diligence requirements, only entered fully into force in November 2014. Hence it is very recent and few specific information are already available concerning its effectiveness.

However, in terms of design, this act provides possible lessons for the EU framework, which is considered by all Australian interviewed stakeholders as the blueprint used for the Australian approach. In a nutshell, the main similarity with the FLEGT AP, and in particular the EUTR, consists in the adoption of a due diligence approach as the regulatory tool to ensure that illegal timber and timber products cannot be placed into the Australian market. However, several differences are to be remarked, and will be investigated more in details in the following sections

- Monitoring Organisations were not included in the framework, hence no responsibility for checking compliance is outsourced to private parties;
- The VPA approach was considered too costly and it was noticed that no results had been produced over a long period, hence it was discarded; noticeably, the market leverage of Australian, even with neighbouring producing countries, is low, given the small size of its timber market;
- The due diligence duty was linked to customs procedures, through the issuance of a specific customs declaration for timber and timber products imports;
- Selected certification schemes (FSC, PEFC, and, whenever issued, FLEGT licences) are considered a safe harbour and hence substitutive of the due diligence process;
- Compliance with government-issued guidelines, detailing what documents are to be obtained from what country, is again substitutive of the due diligence process

2. Main Observations

On EQ1 (relevance):

Compared to other consumer regions such as the EU, the USA, and Japan, Australia is a significantly smaller market. However, its relevance with regard to FLEGT consists in being, for the moment, the only country in the Asia-Pacific region having enacted a legal framework against illegal logging. As this framework took inspiration – and distance where considered necessary – from the EU FLEGT AP and the EUTR, it is a very good 'natural' experiment to learn lessons from a second-mover in this area.

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Australian forest production does not feature significant problems of illegality, though only about 10% of domestic forests have a sustainable forest management certificate (PEFC/AFS, FSC, or both). All major sawmills, pulp mills and most (about 75%) timber wholesalers (inclusive of importers) have a CoC certification. About 90% of domestic sawn wood and 100% of supply of domestic plywood come from CoC certified sources (Mitchell, 2012)

On EQ3 (effectiveness)

AA2 (trade in timber)

The Australian legislation against illegal logging had a long gestation period. It dates back at least to 2007, when the Labor party included a commitment against imports of illegally logged timber in its manifesto. In 2010, the Australian government launched a series of studies on this issue and, in 2011, following-up EU and USA action in this area, it introduced an ‘exposure draft’ bill to the Parliament to restrict imports of illegal timber. This was based on a due diligence approach and on the establishment of an industry code of conduct, supervised by independent certifiers – an entity similar to the EUTR Monitoring Organisations. The framework was thus imagined as a co-regulatory tool. This Bill was reviewed by the Australian Senate Rural Affairs and Transport Legislation Committee, which suggested several amendments. In particular, the reliance on codes of conducts was considered inappropriate and too burdensome for SMEs to familiarise with and implement; the adoption of stronger responsibilities by the government for implementation and control was required; and the role of independent verifiers was questioned and considered as an additional unnecessary layer. Also, a requirement for importers to make a declaration of legality of product at customs was introduced (Brack *et al.*, 2012)

This process shaped the Illegal Logging Prohibition Act, which was approved in 2012. It includes:

1. The prohibition to import illegally logged wood products and to process domestic logs that have been illegally logged;
2. A requirements for importers and processors of domestic wood to ‘mitigate the risk of illegality’ and the requirements for importers to state compliance with the due diligence requirements alongside of the import declaration.

The link between the act and the imports declaration – something which importers are very familiar with and have to supply on a daily basis – ensured that awareness of the new legislation was immediate and widespread.

More in detail, the penalty for putting illegally harvested wood into the market can be up to 5 years of jail and/or a fine of up to AU\$ 55,000 for individuals and AU\$ 275,000 for companies.³²⁴ The verification of legality can be carried out on either importers or processors of domestic wood, and no other parts of the value chain are subject to the regulation; hence, there is no lack of clarity about who an ‘operator’ is under the framework. Illegality is defined as ‘harvested in contravention of laws in force in the place (whether or not in Australia) where the timber is harvested’, hence including foreign laws as well. Products covered by the framework are detailed in a schedule to the Regulation, and efforts are made so that the coverage is complementary with the EUTR, to minimise burdens and problems with the providers (Australian Government, 2014e).

In 2013, the Act was complemented by a secondary regulation, the ‘Illegal Logging Prohibition Amendment Regulation 2013 (No. 1)’, which defined the scope of application of the framework to timber products and the due diligence requirements. The Australian due diligence system works as follows:

³²⁴ Penalties and fines for ‘negligently’ importing illegal logging, i.e. without meeting due diligence requirements, are lower.

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- The first step, mandatory, requires the importer to gather information about the origin of the wood, or of the wood included in the manufactured or semi-manufactured products;
- Then, the importer may choose among two options for a sort of ‘fast-track’ risk assessment:
 - Relying on a timber legality framework; three frameworks are exhaustively listed in the regulation, that are FLEGT licenses, FSC, or PEFC (Australian Government, 2014d); or
 - Identifying and assessing risk against country specific guidelines published by the Australian government and negotiated with the government of the country of origin (Australian Government, 2014c);
- If the importer cannot or does not intend to rely on either of the two options mentioned above, he/she has to carry out due diligence by identifying and assessing risks linked to the imported timber or timber products; risk mitigation measures are to be undertaken in case of a positive assessment (Australian Government, 2014b).

The two options alternative to the full due diligence process represents a key difference in comparison with the EUTR. Their rationale is two-fold: first, simplification and reduction of burdensomeness for timber operators, and in particular for SMEs; secondly, the government, through the guidelines and indicating the reliable certification schemes, take responsibility for endorsing certain routes of compliance, as opposed as to Monitoring Organisations, Codes of Conducts, or business practices. Here below, each of these options are discussed in detail.

The certification route is not a new element in the debate on the most appropriate features of the illegal logging framework, in particular on whether certain certification schemes represents, e.g. *de facto* for probationary purposes, an alternative to due diligence.³²⁵ However, the Australian framework is the first in which certification schemes are sanctioned by law as a way to comply with due diligence requirements. This choice originate from studies suggesting that selected certification schemes are effective and efficient in mitigating the risk of importing illegal logs. None of the stakeholders interviewed, including civil society and international organisations, opposed this approach.

Concerning guidelines, this approach is novel and unique to Australia. Government guidelines under the illegal logging act are specific to each country of origin and endorsed by the foreign government; they describe what the third -country legislative framework look like and list what documents are needed to prove legality.³²⁶ Meeting the documentary requirements spelled out in the guidelines provides a presumption of meeting the due diligence requirements. In case of doubts on the veridicity of the documents obtained, though corresponding to those listed in the guidelines, the importer can contact the Australian government or its counterpart.

The guidelines reduce compliance and administrative costs for operator, especially in the take-off phase of the process. However, they also are also prone to some criticism. First, they are put on par with certification, without providing the same safeguards; secondly, guidelines are drafted and endorsed in a government-to-government process, without involvement of third parties or the civil society. As such, they may be subject to political or diplomatic sensitivity and prevents the framework to constrain illegal logging effectively. Finally, it has been pointed out that, given

³²⁵ See also Annex 1 to the aide-memoire of Japan, concerning South Korea and the lesson from the USA experience.

³²⁶ Guidelines for seven countries have been finalised: Canada, Finland, Indonesia, Italy, Malaysia (with the addition of three regional guidelines for Peninsula, Sabah, and Sarawak), New Zealand, and Solomon Islands.

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Australia's early mover role in the Asia-Pacific area, this approach could be transplanted in other jurisdictions, potentially undermining an effective fight against illegal logging.

However, it is too early to judge on the effectiveness of the guidelines. Early checks have been carried out by the public authority, in view of steering operators towards compliance rather than sanctioning misbehaviours (Australian Government, 2014a).³²⁷ Out of the 67 compliance checks carried out so far, almost half of the importers relied on certification, and only 2 on guidelines, hence this may not be the preferred route in practice.

Concerning the overall effectiveness of the Australian framework, it is again too early to provide an evidence-based judgment. Provisional findings show that business attitude is changing, in particular by moving from risky products to safer ones and by asking the provider evidence of legality, which was not done in the past. Importers are duly compiling the timber declaration attached to the imports documents and according to early controls most of them have put in place a due diligence system.

AA4 (Private sector initiatives)

Australia's decision was to shift to co-regulatory system, as initially envisaged, where the private sector would have played a primary role, to a framework in which the government retains responsibility for both detailing the legality control procedures and for monitoring compliance. However, the private sector still plays a role in the process. The relationship with the public authority are positive and this helps the private sector being involved in the definition and implementation of the system. Furthermore, the timber importer federation has developed a toolkit – free for members and on sale for other companies – concerning the application of the new framework; training services are also supplied to companies.

AA6 (Other legislation)

Beyond its national legal framework, Australia is also committed to a series of international actions and conventions against illegal logging. Australia is a party to the CITES Convention, to the UN Forum on Forests, to the International Tropical Timber Agreement, the UN Convention to Combat Desertification. It is also party to regional initiatives, such as the Asia Pacific Forestry Commission of the FAO or the Asia-Pacific Forestry Skills and Capacity Building Program. No in-depth assessment has been carried out on the effectiveness of these frameworks (Friends of the Earth International, 2013).

Main Conclusions and Recommendations

Conclusions

While the whole assessment of the Australian framework against illegal logging goes beyond the scope of this aide-memoire, in this section it is worth reflecting on lessons learned from the EU by Australia, and on lessons that can be learned from Australia by the EU.

The EU FLEGT AP and EUTR were both a push factor in determining the Australia resolution to enact a legislative framework against illegal logging, and the blueprint for the framework itself. Australia wanted provisions to be similar to that of the EU both in nature and in scope, both for effectiveness reasons, in order to have synergetic effects, and for practical reasons, to reduce difficulties in origin countries, especially in the take-off phase.

However, Australia distanced from the EU framework in at least two dimensions: first, by trying to avoid some of the drawback of the EUTR by adopting a more simple and business-friendly approach; and secondly, by trying to avoid getting bogged in a VPA-like approach, which has not yet produced

³²⁷ A government report on early compliance checks is due in the next months.

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tangible results, requires significant efforts, and would have suffered from the more limited trade leverage of Australia.

Main differences, from which lessons are discussed below in the recommendation session, concern:

1. The option to rely on certification instead of a full due diligence process (gathering of information is still necessary);
2. The option to rely on government guidelines instead of a full due diligence process (gathering of information is still necessary). While this approach cannot be endorsed under the EUTR, it is worth mentioning that in some case the private sector is adopting a similar approach (e.g. Italy's LegnOk platform. However, a key difference remains in that any guidelines in the EU does not prevent the operator to carry out a full due diligence;
3. The increased role for the government and the absence of private monitoring organisations;
4. Only importers and processors of domestically logged timber are subject to the regulatory framework;
5. The link between the framework against illegal logging and the customs procedures.

Recommendations

1. While the VPAs remain a vault key of the FLEGT AP, the EU should consider its feasibility in terms of results and market leverage; ineffective VPAs have discouraged, and could discourage in the future, other countries to adopt a similar approach, though it is the one likely to deliver the most benefits in terms of improved forest governance;
2. The EU should consider what is the best role for credible and recognised certification schemes, and in any case better specify how they relate to the due diligence process, without leaving this aspect to be defined by national administrations or even courts;
3. While Australia-like guidelines would most likely be in conflict with the EUTR approach, the EU could consider publishing country guidelines which, though not preventing the full application of the due diligence requirement, could ease compliance and lower compliance and administrative costs for EU operators, and in particular SMEs;
4. Linked with the above, while excluding traders from the EUTR is not an option at the moment, an avenue of simplification that could be worth exploring consists in limiting duties and paperwork to importers and processors of domestically grown timber only, and not to downstream operators along the value chain. This would create more difficulties for checks, but it should also be verified whether business-as-usual supply documents would still allow to trace the misbehaving importers, without the need for additional paperwork for traders;
5. Linking the EUTR to the customs procedure, though being in itself an additional burden, seems to be a potentially important leverage for a widespread awareness of the EU framework.

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Annex 1 – List of documents

Australian Government (2014a), Illegal logging position paper at June 2014, Department of Agriculture

Australian Government (2014b), Due Diligence: Guidance for Importers, Factsheet 2.1 by the Department of Agriculture

Australian Government (2014c), Due diligence – Use of country specific guidelines (importers), Factsheet 2.2 by the Department of Agriculture

Australian Government (2014d), Due diligence – Use of Timber Legality Frameworks (importers), Factsheet 2.3 by the Department of Agriculture

Australian Government (2014e), Due diligence – What timber products are regulated?, Factsheet 2.4 by the Department of Agriculture

Brack, D., Chandra, A. and H. Kinasih (2012), The Australian Government's Illegal Logging Prohibition Bill: WTO implications, The International Institute for Sustainable Development

Friends of the Earth International (2013), From Policy to Reality, Sustainable' tropical timber production, trade and procurement, available online at: <http://www.foei.org/resources/publications/publications-by-subject/forests-and-biodiversity-publications/from-policy-to-reality>

Jakko Poyry Consulting (2005), Overview of Illegal Logging, Report prepared for the Australian Government

Mitchell, S. (2012), Australian Developments in Trade of Legal Timber, presentation available online at: http://www.ettf.info/sites/default/files/presentation_stephen_mitchell.pdf

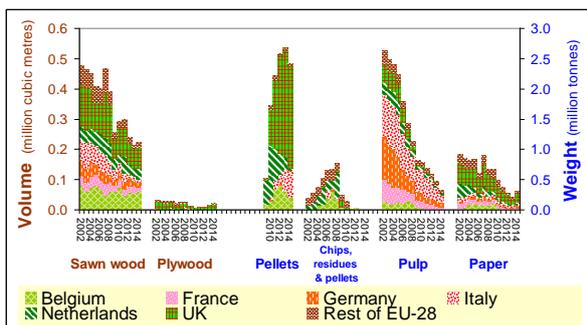
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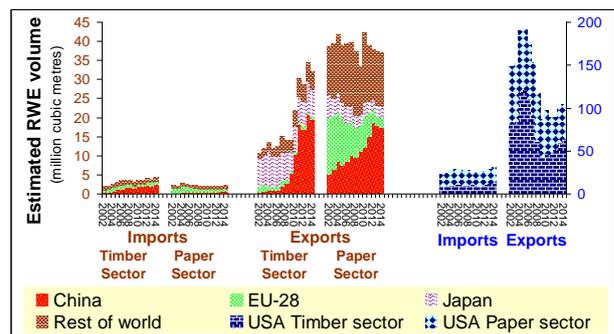
1. Situation of the country with regard to the forestry sector

Canada is covered with around 348 million hectares of forest (9% of forest area worldwide) of which 153 million are sustainably certified, much of the remainder is of little commercial interest to the timber or paper sectors (due to its remoteness and quality). 600,000 ha of forests are harvested every year. 50,000 ha were cleared in 2012 and converted either for agriculture or for infrastructure development.

Canada is the world's largest exporter of wood-based products with the forest industry contributing 1.8% to the country's GDP in 2010.



EU-28 imports from Canada – selected products³²⁸



Canada's exports of wood-based products³²⁹

The right hand chart above indicates that the USA is the destination for more than half of the roundwood equivalent volume which Canada exports, and is also the source of most of Canada's imports of wood-based products. China accounted for roughly two thirds of the RWE volume of timber sector products which Canada exported to countries other than USA. The corresponding amount of paper sector products was approximately 50%. There has been considerable Chinese investment in Canada's wood-based products industry since early last decade. There is also some Japanese investment – Japan is the destination for a substantial share of Canada's exports of wood-based products. As the left hand chart above indicates, Canada's exports to the EU have declined steeply for more than a decade – except for wood chips and, more recently wood pellets. The increase in the latter, almost all from British Columbia, coincides with a very large rise in Canada's exports of sawn wood to China. The rate at which Canada's exports of sawn wood, pulp and paper to the EU have declined is similar to that of the decline in the EU's direct imports of tropical timber.

The decline to the EU is attributable particularly to increased demand from the USA and China. Changes in the EU's phytosanitary controls on imports of softwood are also a factor – those controls have increased costs for Canadian suppliers (- heat treatment being expensive) – as are movements in exchange rate.

2. Canada and Illegal logging

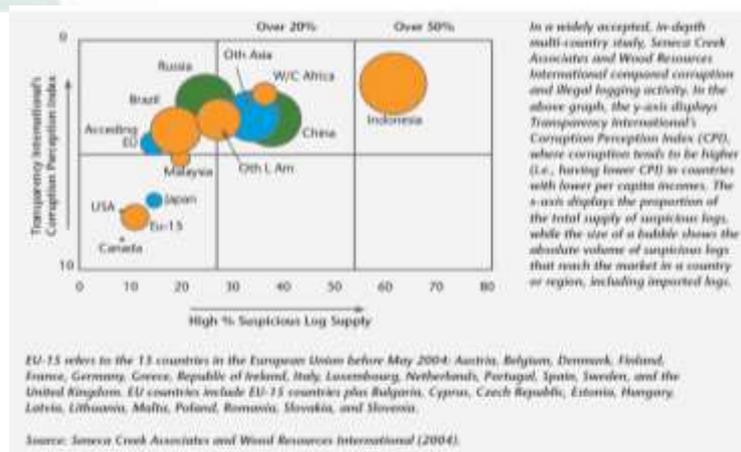
Illegal logging is not considered as an issue in the country as by closely monitoring forestry operations and enforcing the law, Canada keeps illegal logging and the trade in illegal timber down to negligible levels in all regions. According to the following figure, Canada was ranking the lowest with respect to timber risk and transparency.

³²⁸ Source: based on Eurostat (anomalies revised UK 2007 sawn wood and 2009 pellets), data for pellets not published before 2009.

³²⁹ Source: based on estimates presented by UN Comtrade; roundwood equivalent ("RWE") volume estimated by multiplying volume (in m³/m³) by 1.8 (sawn wood) & 2.3 (plywood) and (in tonne/m³) by 1.6 (pellets and chips), 2.8 (furniture), 3.5 (paper) & 4.5 (pulp).

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Timber risk and Transparency (Creek Association and WRI, 2004)

Among initiatives taken by Canada to prevent illegal logging beside the multiplicity of internet websites developed by private sector organisations are:

- Laws and regulations reduce the risk of illegal logging as 90% of the forests are state owned. Forestry companies that operate on the land are bound by federal laws.
- Canada's legal framework protects commercial tree species and trees at risk and no commercial species has been listed in the Canadian *Species at Risk Act* or regulated by the CITES;
- Approximately half of the forest area is legally or SFM certified.

The Canadian Forest Service supports initiatives to combat illegal logging and the illegal timber trade. It does so in collaboration with its provincial, territorial and forest industry partners. It engages actively in international discussions and multilateral initiatives on these two issues, and closely monitors new legislative measures in order to minimise any potential access issues for Canadian forest products in those markets.

To prevent illegal wood imports, Canada has adopted legislation that enforces the aims of the CITES. It does so through Canada's *WILD ANIMAL AND PLANT PROTECTION AND REGULATION OF INTERNATIONAL AND INTERPROVINCIAL TRADE ACT* (WAPPRIITA). This is species-based and does not refer to "illegal logging" itself. Section 6 (1) of the WAPPRIITA states that:

"No person shall import into Canada any animal or plant that was taken, or any animal or plant, or any part or derivative of an animal or plant, that was possessed, distributed or transported in contravention of any law of any foreign state."

Canada does not prohibit the procurement of illegal wood-based products, but considers itself to be as strict as the USA concerning this.

China is the leading supplier of the timber sector products which Canada imports, but these might be made at least partly from logs or sawn wood supplied from Canada. Canada imports also small quantities of tropical timber, including for use as veneer. For these products only the WAPPRIITA applies. Canada probably exports small quantities of wood-based products (notably parquet) made wholly or partly from illegal wood raw material which has been imported into Canada.

Issues concerning forests which environmental NGOs raise in Canada are generally linked to practices which are unsustainable but probably legal, such as clear-cutting vast swathes of ancient forests.

3. Canada and EU FLEGT Action Plan

In 2015, Canada published a new guidance document that provides information on Canadian forest management for businesses that import Canadian timber and timber products. The document is

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called Canada's Regulatory Framework for Forest Management: Information for Importers of Canadian Forest Products. *It responds to questions about Canadian timber which might be of concern to importers elsewhere.*

The trade has found it difficult to comprehend the EUTR, but no longer expresses concern - reasons might include (i) the trade is familiar with what is required, (ii) fewer companies now supply the EU, (iii) Operators no longer ask for information.

Frequent changes in other EU (and Member State) regulations, including the Construction Products Regulation³³⁰, are being monitored much more closely by Canada than the FLEGT Action Plan is.

It is very much more cost effective for suppliers in Canada to promote their products in the USA and East Asia (primarily China and Japan) than to try to expand their share of the EU market. Despite being a competitor of tropical timber in some applications, Western Red Cedar is no longer actively marketed in the EU by Canadian suppliers. The quality of the non-coniferous timber available from Canada tends to be poorer than that of the same species from the USA, and there is less availability in Canada - particularly in large dimensions. Also, the USA has developed specifications for the structural use of individual species, and this adds to the advantages which USA has relative to its competitors in Canada.

Canada is in direct communication with the EC at federal level concerning the EU market in general (not only that for wood-based products) - through Natural Resources Canada and the Department for Foreign Affairs, Trade and Development.

4. Conclusion

Illegal logging is not considered to be an issue in Canada, the world's largest exporter of wood-based products (in terms of RWE volume). This helps explain why the FLEGT Action Plan has been of peripheral relevance for Canada - even for Western Red Cedar (the species most likely to compete with tropical timber). Canada is aware of the FLEGT Action Plan and is monitoring its evolution.

Changes in regulations in the EU have helped to cause Canadian suppliers to loose interest in marketing to the EU. Instead, Canada has been able to capitalise on buoyant markets elsewhere (most notably the USA and China). This accounts for much of the steep long-term decline in EU imports from Canada.

Canada's exports to the EU do not seem to have benefitted from the EUTR. If it were being implemented effectively and strategically, the EUTR would be expected to help increase Canada's market share in the EU – at least for some products, notably in the paper sector, where supplies from China and Indonesia in particular should receive a maximum of due diligence.

³³⁰ <http://canadawooduk.org/european-timber-regulation/summary/>

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Annex 1 Main resource persons

Name	First name	Organisation, Location	Type org.
Park	John	Canada Wood UK	PS
Kee	Jason	Trade Commissioner, High Commission of Canada, UK	AD
Cooper	Patrick	Formerly Canada Wood UK	PS

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1. Situation of the country with regard to FLEGT:

FLEG (T) actions and related initiatives

The Russian Federation³³¹ is one of the “other” (i.e. non-VPA) producer countries that have been selected under the EU FLEGT Action Plan (AP) Evaluation for a review. Russia is a major player in the global forestry arena and is frequently associated with reports of illegal logging and timber trade (see later in this aide-memoire). Russia in fact possesses 20% of the world’s forests, which makes it the largest forest country in the world. Forests are important for Russia representing 48% of the country area³³², but Russia’s forests are also of global ecological and climatic importance. Although the potential of Russian forests is underutilized³³³ and the level of wood processing is low³³⁴, Russia still harvests huge volumes (around 200 million cubic metres)³³⁵. The Government is willing to double the sector’s contribution to GDP (from currently 1.3%). Last year, Russia increased its exports of unprocessed timber by 7%, (to 29.97 million cubic meters) and it is an important supplier to the EU.

The FLEGT AP regarded Russia as one of the key regions and countries (with Central Africa, and the tropical South America and Southeast Asia) that together “contain nearly 60% of the world’s forest and supply a large proportion of internationally traded timber” and where, on the basis of relevant studies on developing and emerging market countries, “a significant share of the trade is likely to be based on illegally harvested timber”. It further states, “The EU is an important market for timber from Russia – in particular from Northwest Russia – which is the largest supplier of roundwood to the EU. Exports to the EU from Russia are important in both absolute and relative terms”³³⁶.

Based on the above assessment, Russia could have, and has in fact been considered for establishing a voluntary export-licensing scheme as per the FLEGT AP³³⁷ through a Voluntary Partnership Agreement (VPA). The idea of a EU-Russia VPA was discussed at some point between the EU and Russia³³⁸ but it seems those discussions have had no follow up since 2011. It is thought that this was “never seriously considered by Russia”. “The assumed reasons for this include: the size and magnitude of the Russian forest sector and domestic market, the amount of work at stake - which might not be justified by the volume of exports to the EU - and sovereignty issues with the perceived one-sided obligations for the partner country”. It seems that “the discussions were motivated by a need for clarity on this prospect, more than by real interest on the part of Russia” (Pers. Comm.).

The other possibly relevant approach identified in the FLEGT AP to address issues of illegal logging in Russia and associated timber trade is that of “developing the multilateral framework and international collaboration”³³⁹ with Russia. Past and current developments indicate that this is the approach that has been followed so far (see below). Under the FLEGT AP, this would imply a number

331 By its official name, or more simply Russia, as we will also use in this report.

332 See Global Forest Resources Assessment, FAO 2015 (www.fao.org/3/a-i4793e.pdf)

333 Generally, the proportion of forests that is accessible and open to commercial use forests in Russia is small (around 20-25% - versus up to 90% in Sweden). (Source: <https://ic.fsc.org/swedwood-russia.323.htm>)

334 The Russian Federation Forest Sector, Outlook Study to 2030, FAO 2012, iix: “The forest sector is not a priority of national forest policy. Russia accounts for over 20% of the world forests, but its share in the world forest products trade is below 4%. Semi-processed roundwood and sawnwood make up over 54% of its exported wood products. Forests occupy over half of the land of the country, but the share of the forest sector in the gross domestic product (GDP) is only 1.3%; in industrial production 3.7%; in employment 1%; and in export, revenue 2.4%. (...) the colossal forest potential of the country is essentially under-utilized. The opportunities presented by the forest sector are clearly underestimated by state economic policy and policy-makers”. (www.fao.org/docrep/016/i3020e/i3020e00.pdf)

335 194,5 million cubic metres in 2013 (FAO Forest products 2009-2013); 202,8 million cubic metres in 2014 (www.wood.ru/ru/lonewsid-62130.html based on Russian Forest News from 07.04.2015).

336 FLEGT AP, 4.2. Trade in timber, pp. 8, 9, 10.

337 FLEGT AP, 4.2.3. Voluntary licensing of exports, p.11.

338 Among others under the EU-Russia Environmental Dialogue and the EU-Russia Partnership for Modernisation (http://ec.europa.eu/environment/international_issues/relations_russia_en.htm)

339 FLEGT AP, 4.2.2. Developing the multilateral framework and international collaboration, p.10.

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of actions by the Commission³⁴⁰: (a) exploring collaboration with countries in the European Free Trade Area (EFTA), (b) building a dialogue with Russia (as one of the major key timber-producing countries), and (c) building dialogue with Russia also “in appropriate international meetings, such as the UN Forum on Forests and the regional FLEG processes”.

As regards the EFTA, although the Russian Federation is the EU’s largest bordering state, there is no free trade agreement (FTA) currently in place between the EU and Russia. EFTA’s free trade negotiations with Russia, Belarus and Kazakhstan are currently on hold³⁴¹.

Bilateral, regional and multilateral cooperation with Russia

Several processes and instruments were used to advance this cooperation, namely (1) the EU-Russia Environmental Dialogue, (2) the ENPI East FLEG Programme, (3) FOREST EUROPE and the international negotiating process on a Legally Binding Agreement on forests in Europe, and (4) Other international forestry processes, that are further identified in the next paragraphs.

1) The EU-Russia Environmental Dialogue³⁴²

The EU-Russia Environmental Dialogue was launched in 2006, with high-level meetings held approximately every two years. It takes place under one of ‘common spaces’ defined for cooperation between the EU and Russia under the Partnership and Co-operation Agreement (PCA). The dialogue is conducted by DG Environment for the EU and the Ministry of Natural Resources and Ecology (MNRE) for the Russian Federation. Five expert EU-Russia sub-groups (overseen by a Director-level Working Group) were established, of which especially the one on forestry law enforcement governance and conservation is relevant (source: http://ec.europa.eu/environment/international_issues/relations_russia_en.htm).

This Expert Sub-group on Forestry Law Enforcement Governance and Conservation (FLEGC) has met once or two times a year, starting in 2007, while its last meeting was in 2013. The most recent activities of this Expert group included the exchange of information on a) policies (including the new Russian Forest Policy to 2030), b) activities that are being undertaken to enhance forest law enforcement and combat illegal logging in Russia and in the EU (including VPAs and the EUTR), c) cooperation on remote sensing; d) the ENPI FLEG Programme (Phase II, Russian component) (see Annex 2); e) various international processes like the UNFF, FOREST EUROPE and the APEC EGILAT, and f) biomass and renewable sources of energy. Unfortunately, the dialogue and its Expert Group seem to be de facto suspended, due to current diplomatic tensions; there have been no further meetings or videoconferences since 2013.

2) The ENPI East Countries FLEG II Programme³⁴³

This programme supports participating countries’ forest governance. At the regional level, the Program aims to implement the 2005 St. Petersburg ENA-FLEG Ministerial Declaration and support countries to commit to a time-bound action plan. At the national level, the Programme is working to review and revise forest sector policies and legal and administrative structures and to improve knowledge of and support for sustainable forest management and good forest governance in the participating countries. And at the sub-national (local) level, the Programme is working to test and demonstrate best practices for sustainable forest management and the feasibility of improved forest

³⁴⁰ FLEGT AP, 4.2.2. Developing the multilateral framework and international collaboration, p.11.

³⁴¹ Source: <http://www.efta.int/free-trade/ongoing-negotiations-talks/russia-belarus-kazakhstan>

³⁴² A “dialogue” is one of the diplomatic tools that the EC is using to inform and discuss with big timber producing countries like China and Russia, outside of VPA.

³⁴³ In full the “European Neighbourhood and Partnership Instrument East Countries Forest Law Enforcement and Governance Phase II Programme”

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governance practices at the field-level on a pilot basis. Participating countries include Armenia, Azerbaijan, Belarus, Georgia, Moldova, **Russia**, and Ukraine. Background information on this programme and its predecessors is provided in **Annex 2**.

3) **FOREST EUROPE**

FOREST EUROPE (the Ministerial Conference on the Protection of Forests in Europe³⁴⁴) is the pan-European policy process for the protection and sustainable management of the continent's forests. It develops common strategies for its 46 member countries (including the Russian Federation, and the European Union [as such]³⁴⁵). Furthermore FOREST EUROPE is involved with other global and regional processes and initiatives dealing with issues of highest political and social relevance related to forests, and the FOREST EUROPE signatory countries and observers participate in the Intergovernmental Negotiating Committee (INC) created to develop a legally binding agreement (LBA) on forests in the pan-European region³⁴⁶. This legally binding agreement was discussed at the 7th Expert Sub-group meeting on FLEG (2013); both parties essentially “expressed their wish for a successful closure of the negotiations at INC-4 in Geneva”, conditional on “a number of institutional and procedural issues that still need to be addressed in order to finalize the text”. (Minutes of the meeting) An update on the LBA, following the Extraordinary Ministerial Conference³⁴⁷ is that “simply speaking, LBA failed and to some extent, Russia contributed to this failure because it disagreed on several points, which related to organisational rather than conceptual issues”. (pers. comm.)

4) **Multilateral forestry processes**

At the 7th meeting of the Expert Sub-group on FLEG (September 2013), regarding the **UN Forum on Forests (UNFF)** and the **International Arrangement On Forests (IAF)**, EU and Russia identified common diplomatic ground on the format of the UNFF and future forums. About the **APEC³⁴⁸ expert group on illegal harvesting and associated trade (EGILAT)³⁴⁹**, the Russian and EU counterparts of the FLEG Expert group exchanged experiences and views. Russia expressed that it will highly appreciate the *continued involvement of the EU in the EGILAT group and the EU will continue to be invited to*

³⁴⁴ MCPFE, synonym of the Helsinki Process, and, from November 2009, of FOREST EUROPE.

³⁴⁵ See list of FOREST EUROPE Signatories (www.unece.org/fileadmin/DAM/publications/timber/Annex_3.pdf).

³⁴⁶ At the FOREST EUROPE Ministerial Conference held in Oslo on 14-16 June 2011, ministers responsible for forests decided to take further international action consisting of the elaboration of a legally binding agreement on forests in Europe and established an Intergovernmental Negotiating Committee (INC) with the mandate to develop such an agreement. The work of the INC is governed by the Oslo Mandate and the Rules of Procedure. (...) After the completion of its work the Committee will present its results to an extraordinary FOREST EUROPE Ministerial Conference that will take place within six months of the conclusion of the negotiations for consideration, possible adoption and opening for signature. Source: www.forestnegotiations.org. Update: the Extraordinary Ministerial Conference that will receive the results of the work of the INC for a Legally Binding Agreement on Forests in Europe (INC-Forests) will be held in Madrid, Spain, in October 2015. It will hear a report from INC-Forests about the results of its negotiations in 2012-2013 and consider what, if anything, to do next with the draft text of the legally binding agreement. (Source: www.foresteuropemadrid2015.org. Available update as of 6/11/2015: www.iisd.ca/forestry/europe/mc/2015/html/enbplus180num9e.html).

³⁴⁷ The FOREST EUROPE Extraordinary Ministerial Conference held in Madrid on October, 21 (www.foresteuropemadrid2015.org/emc-conference/) took place back to back with the 7th FOREST EUROPE Ministerial Conference (<http://www.foresteuropemadrid2015.org/>).

³⁴⁸ The 25th APEC [Asia-Pacific Economic Cooperation] Meeting of Ministers Responsible for Forestry was held in Bali (Indonesia) in 2013. Among other issues, the Ministers agreed to strengthen efforts to combat illegal logging and associated trade, promote private investment, and capacity building, so as to promote sustainable forest management and closer forestry cooperation and exchange in the region. The Russian Federation has been an APEC member ever since November 1998. “These are top political level meetings, so all statements related to the problem of illegal logging in the APEC economies that have been made during these meetings are very significant for any further activities both at the governmental level and at the level of other stakeholders.” (A. Zakharenkov, 2014).

³⁴⁹ The EGILAT was established in 2011. It held two meetings in 2013 in Jakarta and Medan, Indonesia. The latter focused on two key themes: market responses to legality requirements in the global marketplace; and new technologies and tools for legal trade in forest products. Current issues on the EGILAT agenda include the exchange of information on policies, regulations, governance and law enforcement relating to combating illegal logging and promoting trade in legal forest products, and capacity building. “EGILAT is the official framework for conducting multilateral governmental activities related to illegal logging. However, the current format of this Expert Group looks like “closed-door”. It would have been useful for all involved parties and for EGILAT itself to develop cooperation and share experience and plans between different organizations”. (A. Zakharenkov, 2014)

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participate as an observer at the next meeting to be held in the USA in 2014. The EU further mentioned the *study on timber trade flows from the Russian Far East into China that is being undertaken by EFI and Chinese Academy of Science in the context of the bilateral dialogue between the EU and China*. The EC said it would discuss possible follow up [participation by Russian experts in this meeting] in the context of the EU-China Bilateral Coordination Mechanism [BCM] (...). The Russian Federation said it [also] has a bilateral meeting with China (...).

Note on EGILAT: Through its participation in the expert group on illegal harvesting and associated trade (EGILAT) of APEC (Asia-Pacific Economic Cooperation) as an observer, with support from Russia (2013), the EU has access to exchanges of information amongst law enforcement agencies to a framework for building bridges between the separate EU-China, Russia-China and EU-China bilateral processes, of critical importance for EUTR implementation in particular.

An international and multi-stakeholder Workshop on ‘Promoting Legal and Sustainable China-Russia Timber Trade’ *“of strategic significance”* was held in Feb. 2014 in Suifenhe, China, jointly organized by Chinese forestry institutions, Forest Trends, the EFI FLEGT Facility and the WWF. A number of recommendations were issued, including: maximum possible access to importers of Russian wood products to the new **State Unified Automated Information System** (EGAIS – by its acronym in Russian) for wood reporting [being implemented in Russia], participation of Russian stakeholders in the development and assessment of implementation of the new **Chinese Guidelines** for responsible wood purchasing (and that these Guidelines should become compulsory); development of legislation in China to prevent illegal timber imports, with the necessary monitoring mechanism, and reference to good practice examples from other sectors (for example, the UN Security Council due diligence standards, esp. the one ‘for minerals supply chains to remove illicit materials’, which are said to have a robust methodology that could be applied to timber supply chains. (Based on A. Zakharenkov, 2014³⁵⁰)

Measures taken by Russia to combat illegal logging and related trade

Russia started paying attention to the issue of illegal logging in the late 1990s when the issue became prominent on the international agenda and when the regional Forest Law Enforcement and Governance (FLEG) Initiatives coordinated by the World Bank started.

The RF is an initiator of the Europe & North Asia Forest Law Enforcement and Governance (ENA-FLEG) in the Northern Eurasian region. Following the FLEG meetings in Bali and Africa, Russia hosted the 2005 St. Petersburg Conference³⁵¹, organized by the Russian Government and the World Bank, which culminated in the adoption of the Declaration of St. Petersburg and the indicative action plan³⁵². The **St. Petersburg Declaration** is the basis of the ENPI FLEG Programme.

Considerable activity over the last ten years is reported in Russia, in relation to domestic and international forestry processes, including measures to address illegal logging at RF and regional

³⁵⁰ World Bank - Issues Note, Far East Forest Governance Study (P147563), Zakharenkov A., 2014. To the question whether there has been any follow up to that Issues Note, the World Bank provided the following information: “WB team, with financing from PROFOR (Program on Forests, www.profor.info) planned to start two Technical assistance activities in Russia: i) “Methodology for Calculating Budget Losses and Local Revenue Impacts of Illegal Logging”, was planned to (a) develop and test a unified financial model for estimating the economic impacts of illegal activities, and (b) to propose this model to relevant government bodies and stakeholders for their use; and ii) “Collaborative Stakeholder Mapping to Promote Legal Timber Trade” would have had an objective to increase China-Russia cooperation in forest law enforcement and timber trade through a series of stakeholder mapping exercises that will generate a shared understanding of the problem and potential solutions. Both activities had to be dropped due to change in course of Federal Forestry Agency”.

³⁵¹ Europe and North Asia (ENA) FLEG Ministerial Conference, St. Petersburg, Russia, November 2005

³⁵² The 2005 ENA-FLEG Ministerial Conference brought together nearly 300 participants from 48 countries representing governments, the private sector, civil society and international organizations including the World Bank. The St. Petersburg Declaration is an expression of commitment by 44 governments from the ENA region (including Russia) and other participating countries to take action to address illegal logging and associated forest crimes. The participating governments also identified an Indicative List of Actions for the implementation of the Declaration. (www.worldbank.org/en/topic/forests/brief/fleg-regional-forest-law-enforcement-governance)

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levels, in different areas and using different instruments, including anti-illegal logging legislation passed or strengthened, among which the most important include the following: (see also Timeline in Annex 4):

- **ENA-FLEG Ministerial Conference** and St. Petersburg Declaration (November 2005);
- Interagency national **Action Plan to prevent illegal logging and illegal turnover of timber in Russia**, first approved in 2005 and later on replaced by new plans for 2010-2011 and 2011-2013
- New **Forest Code** enforced in 2007. This **Forest Code** was supposed to restructure and improve forest governance and forest protection by transferring forest management responsibilities from the federal authorities to regional administrations. (In practice this did not work out (see chapter EQ3))
- Interagency Commission on Prevention of Illegal Logging and Turnover of timber in Russia (2011)
- **Methodological recommendations** for prevention and reduction of illegal logging and illegal timber trade for the entities of Russian Federation (July 2011). These Guidelines were developed in the framework of the ENPI FLEG Programme and include a set of comprehensive recommendations categorized in 10 directions of state and community efforts³⁵³.
- New Russian **Forest Policy** (to 2030) adopted in September 2013³⁵⁴
- **‘Russian Roundwood Act’** (Federal Law of the RF N 415-FZ)³⁵⁵, adopted in December 2013. It is an amendment to the Russian Forest Code. It contains requirements for the measurement, marking, registration, and transport of round wood (in other words a nationwide wood tracking system – see the EGAIS tracking system later in this aide-memoire).
- **Federal Law No. 277-FZ on Illegal Procurement of Timber**, of 21 July 2014: it establishes criminal liability for the (acquisition, storage, transportation, processing or) sale of illegally harvested or procured timber. It increases administrative sanctions for the violation of rules for timber procurement, including penalties for the unauthorized use of forests, illegal felling in forest stands, destruction of forest resources, and failure to comply with timber harvesting rules, and for the violation of sanitary and fire safety rules in forests.

Main stakeholders for consultations and interviews

The Evaluator contacted the key FLEGT resource persons for Russia within the European Commission (EC) in Brussels, in the DG Environment (DG ENV) and DG for European Neighbourhood Policy and Enlargement Negotiations (DG NEAR), and at the EU Delegation to the Russian Federation in Moscow (EUD). With the assistance of these persons, the Evaluator identified the main groups of stakeholders and their representatives to approach for consultations or interviews. The table containing the list of **key resource persons** is presented in **Annex 3** to this aide-memoire. The list of evaluation questions was sent to these persons. Issues that received specific attention during the evaluation included measures taken by Russia to combat illegal logging and/or to improve forest governance, with a view to distilling lessons learned from this experience for FLEGT.

³⁵³ Source: www.fleg1.enpi-fleg.org and Zakharenkov 2014.

³⁵⁴ Decree of the RF Government No. 1724-r dated September 26, 2013 "Basics of the state policy in the field of usage, protection, preservation and reproduction of forests in the Russian Federation for the period till 2030" (Source: www.rosleshoz.gov.ru/docs/other/83 - only in Russian)

³⁵⁵ Federal Law of the RF N 415-FZ "On amendments to the Forestry code of the RF and the RF Code of Administrative Infractions", also known as Federal Law 415-FZ "on electronic registration of timber sales", or "on wood accounting". Presentation on FFA website (only in Russian language): www.rosleshoz.gov.ru/fz415/presentation. The text of the law is available in English at www.forest-trends.org/documents/files/doc_4456.pdf.

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Russia timeline

A “timeline” of FLEGT-relevant milestones in Russia is presented in **Annex 4**. It covers key events related to EU level and to Russia as well as to the regional and international levels.

2. Main observations

On EQ1 Relevance of the EU FLEGT Action Plan to Russia and vice versa

The EU FLEGT Action Plan was and is still highly relevant with regards to Russia for several reasons: Russia hosts a significant share of the planet’s forest resources (ca. 80.5 billion cubic meters, or 21% of the world timber stock)³⁵⁶, it is one of the key players on the global timber trade market³⁵⁷ and it is known as one of the important vendors and traders in illegal timber. See **Annex 1** for data on Russia’s role in the international and EU trade in timber, including the structure of the import/export Russian market, and Russia's exports to different destinations.

Although declining, Russia supplies about **15% of the Round Wood Equivalent (RWE) volume of the total EU imports** of wood-based products. One country, Finland, is the initial EU destination for most of this, including for transformation prior to onwards export. However, Russia is also the leading (non-EU) supplier of timber sector and/or paper sector products to several other EU Member States (Germany, Sweden, UK, etc.), either in general or in respect of specific product forms (such as sawn wood).

As for the respective **weight of the EU in Russia's exports**, data indicate that the percentage of the (estimated) RWE volume of Russia's exports of wood-based products to the EU-28 declined from about 50% to roughly **20%** over the last decade to 2010 and have remained more or less stable since then. The decline was less, from 45% to 35% for the paper sector alone.

Estimates of the **"illegal" imports** of timber and paper sector products by leading importing countries *from Russia* are as follows³⁵⁸³⁵⁹:

<i>Estimated RWE volumes (million cubic metres)</i>	2003	2013
China	6.51	11.37
EU	4.35	1.11
Japan	1.28	0.39
US	0.14	0.05
Others	2.69	1.79
Total	14.97	14.71

What strikes out of these figures (illegal exports) are the rise of China (from 6.51 to 11.37 Mm³) and the decline of the EU (from 4.35 to 1.11 Mm³) and of all other countries together (from 4.11 to 2.23 Mm³).

³⁵⁶ www.fleg1.enpi-fleg.org

³⁵⁷ Legal harvesting volumes are destined for 19% personal use, 13% export, and 68% domestic market.

³⁵⁸ Trade statistics are prone to wide margins of error, due to the varied classification methods and conversion factors used, and even more so for estimates of illegal logging (that are by definition unrecorded), also taking into account the difficulty of defining what is legal and what is not under Russia's forestry code. “No methodology or assessment system exists to allow a reliable accounting of the amount of illegal logging in the Russian Federation” (Russian Federation Forest Sector Outlook Study to 2030 (FAO, 2012))

³⁵⁹ It is based on the same methodology adopted in Chatham House's recent assessments (Hoare, 2015c), based on surveys of experts' perceptions, the literature and trends in certification.

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The trade flows that are of the greatest importance in the context of the FLEGT AP are from Russia to China (part of which is processed and re-exported by China as manufactured products). As part of those, much has been written about the criminality and ecological damage being done, connected with the *illegal* flows, especially from parts of the Russian Far East, to China³⁶⁰. More details on import and export of legal wood-based products and estimated illegal wood-based products are given in **Annex 1**.

The **EU FLEGT Action Plan** has not always been perceived as being relevant by the Russian stakeholders. It was initially regarded as focusing on *tropical* forests and wood based products. It is only in 2010, with the publication of the EUTR, that FLEGT became relevant to the RF (in the eyes of the stakeholders³⁶¹). The two instruments **EU-Russia Environmental Dialogue** and **ENPI FLEG Programme** may not be perceived as direct FLEGT interventions, however they do receive EU funding (through DG NEAR) and are relevant to specific actions of the EU FLEGT Action Plan. The **EU-Russia Environmental Dialogue** is a materialization of the Commission's commitment to build a dialogue for international collaboration with the major key timber-producing countries under the FLEGT AP. The **ENPI FLEG Programme**, especially through its Russian component, is highly relevant to FLEGT since it was especially designed to suppress illegal logging and improve forest governance. It is the main operational instrument on forestry and illegal logging between EU and Russia for action on the ground in Russia.

Conclusion

At a global level Russia is an important player in the trade of legal and illegal timber and other wood-based products. For the EU, Russia is very relevant since a large share of wood based products imported into the EU comes from Russia directly or through third countries and part of it is allegedly illegal. Also, the RF is committed to combatting illegal logging, and is actively doing it, for which it welcomes current support from the EU. In addition, the EU is an important client for Russia's exports.

On EQ2 Design of FLEGT- relevant measures implemented by Russia and FLEG/T actions

Design of Russian Measures

Russian stakeholders consulted for this evaluation painted the broad picture of FLEG/T action in Russia as *"an effort at the federal level, complemented by many initiatives at regional level, not limited to forestry but also through interdisciplinary (forestry, trade, customs, interior authorities) approaches"*; *"The Basics of the state policy in the area of forest usage, protection, preservation and reproduction, until 2030 [Forest Policy] were developed and started to be implemented, amendments to the Forest Code were introduced, special legislative acts were developed, action plans for the country and its regions were prepared, research projects are underway, and new education systems were introduced"*. And to improve forest governance: *"an active, high-level dialogue between NGOs, Federal Forest Agency, Government ("Open Government" process) and the President's administration is taking place"*.

The above reforms and developments result from "normal" RF government activity, partly from pursuit of some of the St. Petersburg Declaration principles³⁶². They can also be partly attributed to

³⁶⁰ One example is the report 'APPETITE FOR DESTRUCTION, China's trade in illegal timber, EIA, November 2012.

³⁶¹ A reviewer of this evaluation further states that from then on, many groups of stakeholders (especially business and NGOs) were informed and began to monitor the process of preparation and adoption of the final [EUTR] document and its entry into force.

³⁶² For a reviewer of this evaluation, *"it is worth also mentioning the creation [undated] of interagency commissions and working groups on the elimination of illegal logging and timber trade at the federal and regional (all the subjects of the RF) levels. These coordinated efforts are part of the "design" of Russian measures. Practically all these commissions developed, approved and started implementation of action plans. This mechanism is still alive and workable – the latest meeting of such a commission at the federal level took place on 16.10.15"*. (<http://rpn.gov.ru/node/16146> - only in Russian language)

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the FLEGT Action Plan, insofar as they have been guided by and assisted through the ENPI FLEG Programme, and also encouraged by the EU-Russia dialogue in different instances.

Internationally, the RF has been an active member, signatory or participant in many regional and global forestry processes, conferences, agreements, conventions or treaties including CITES, ENA-FLEG, Forest Europe, and UNFF. The RF is not an ITTO member.

The introduction of the **new Forest Code** in 2006 and recent reform of the forest legislation [actually] resulted in a significant restructuring of the forest management and governance systems and in a *drastic decrease of efficiency in illegal logging control processes*. The transfer of forest management responsibilities from the federal authorities to regional administrations resulted in *growing contrasts in the legal situation* and success in forest protection and sustainability of management. Vast distances and recent economic difficulties have also complicated the processes of illegal logging and timber trade control³⁶³.

The new Forest Code was in fact severely criticized by environmentalists when it was issued³⁶⁴. The representative from an international NGO comments: The new code would *“remove forests from private ownership³⁶⁵ and transfer responsibility for their protection and maintenance from the federal to regional governments”*. As per another stakeholder: *“The whole idea was for the Government to keep ownership and privatize management; it works well in forests under long-term lease (over 40 years) and on hundreds of hectares that are correctly managed to ensure long-term profit and are placed under public and civil society scrutiny (one effect though is that this almost excludes small loggers)”*. But it *“resulted in total disaster for the state-managed forests, as law enforcement resources were removed (the number of forest rangers was reduced dramatically³⁶⁶, and they lost their policing rights; they had to call the Police [for arresting people and seizing goods]; the regional forest authorities were totally paralyzed), and fire, pest and illegal logging became totally uncontrolled, especially in remote locations”*.

With the **Forest Policy** and the **Roundwood Act** adopted in 2013, the RF aimed to repair some of these failures (minutes FLEGC Expert group, 2011). The Roundwood Act for one Russian stakeholder *“is designed to play a key role in the legal aspect of counteracting the illegal usage of forest resources”*.

The minutes of the 7th meeting of the Expert Sub-group on FLEGC (September 2013) in fact provide useful insight regarding the Forest Policy, from the government viewpoint: *“The ultimate objective of the Policy is a more modern and efficient forest sector that contributes to economic growth and sustainable development”, while the sector faces external challenges (Russian entry into the WTO, EUTR) and internal challenges (obsolete forest industry, inefficient use of forest resources, illegal logging, etc.). A **State Forest Programme (2012-2020)** provides the framework at the federal level, articulated in 4 sub-programmes: Conservation, Reforestation, Forest Utilization, and Support to implementation. Under the new Forest Policy, implementation will mostly be managed at the regional level. New legislative initiatives will be required to fully implement the programme with regard to issues such as certification (legality / sustainability), private ownership of forests (30% of forest resources grown in the past 20 years are on agricultural land which is still virtually unregulated). The Russian forest policy was adopted after extensive dialogue with private sector and*

³⁶³ As per ENPI FLEG, Russia (www.fleg1.enpi-fleg.org)

³⁶⁴ For Alexei Yaroshenko, coordinator of Greenpeace Russia's forestry program: *“There will be full anarchy starting Jan. 1”* when the law will go into effect (...); *“The forests will have no owners, no protectors.”*; (...) The new bill opens the way for construction in forests: *“One can build temporary or permanent structures; that's the first step toward shutting citizens out of the forests.”* (www.enn.com/top_stories/article/5524)

³⁶⁵ A reviewer of this evaluation stresses that “forests in Russia are not private, they are under state ownership”. The above statement may therefore relate to newly forested areas that have developed on abandoned agricultural land and needed to be regulated, as per the related comment on this same page (last para.).

³⁶⁶ According to the ENPI FLEG Programme Mid-term review: *“the forest guard service, which had once employed 100,000 forest guards, was closed down”*.

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other concerned stakeholders who will continue to be involved in the implementation phase. The accession of the Russian Federation to the WTO has implied adaptation of the Russian forest sector to new trade rules. Other key challenges, given the size of the country, include the need for investments in infrastructure, transport and roads”.

During the 6th Meeting of the Expert Subgroup (November 2011), Russia had presented the “development of **mechanism of state control** and improvement of legislation in the field of counteraction of illegal logging in Russian Federation”. As per the minutes of the meeting, “considerable activity in Russia to upgrade legislation and plug gaps in legislative provisions e.g. clarifying the responsibilities of forest inspectors, strengthening penalties, clarification of lease procedures” had been undertaken. It also indicated that “the Federal Forest Agency has new powers to ensure that forest legislation adopted by regions is consistent with federal law”, and that “on the operational side, the **number of forest guards** will be increased”. Russia is also developing an **electronic system** which will integrate regulatory information and allow for tracking log movements which, “while developed primarily for domestic reasons, should also serve to allow Russian timber exporters to demonstrate legality of their timber in line with the EU TR, and which is aimed to be operational by 1st March 2013”³⁶⁷.

The agreed follow-up was that “the issue will be a continuous topic for discussions” and “RF and EU DEL Moscow will consider whether to develop and submit a proposal for the [EU-RF] Partnership for Modernisation [P4M] Facility”. Information collected is that no such proposal was developed³⁶⁸.

Minutes of a previous meeting of the Expert Sub-group (09 September – year unknown) also mention the “separate legislation – on registering timber flows [i.e. the **Roundwood Act**] as being ‘put to the Advisory Board on forests including govt. region, NGOs and business. It was first tried in Far East and also Archangelsk region. Includes marking of timber by operators Timber controls during transport, not only roundwood but timber products*. Costs 0.5 to 2-3 EUR per cubic meter. Different methods [are] being tried out. [There is] a lot of resistance to [the] draft”. *It is noted that inclusion of timber products in the scope did not materialize.

On EQ3 Effectiveness – of FLEGT-related action implemented in and by Russia

AA1 (support to producer countries)

a. Measures taken by the Russian Federation to combat illegal logging and trade

As per the previous section, considerable activity over the last 10 years is reported in Russia, in relation to forestry processes at the international and domestic levels. At home, this has included addressing illegal logging through (sectoral and trans-sectoral) governance reforms at RF and regional levels, in different areas and using different instances and instruments (policy and legislation; institutional setting; action plans; procedures, means and systems for monitoring, policing and law enforcement; education and research etc.). This “reflects the new vision of a modern and efficient forest sector” and the “necessity to adapt to new trade rules (WTO, EUTR)” while the sector also faces “internal challenges (obsolete forest industry, inefficient use of forest resources, illegal logging, etc.)” (Minutes FLEGC expert group, 2011). The business’ efforts, with such instruments as wood tracking systems³⁶⁹ and forest certification are also worth mentioning (see also AA4).

³⁶⁷ This system was effectively developed and enforced under the Russian Roundwood Act (see next pages).

³⁶⁸ For information on the mutual fund of the Partnership for Modernisation Facility: http://eeas.europa.eu/delegations/russia/eu_russia/tech_financial_cooperation/partnership_modernisation_facility/index_en.htm.

³⁶⁹ As per one contributor, corporate wood-tracking systems were developed and implemented by many companies during the first decade of the 2000s in Russia. The motivation was mostly market access: demand from environmentally sensitive markets, shortfalls in national legislation and inability to prove legality of timber origin, and then new legislative environment (US-Lacey Act, new EU legislation, etc.).

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Some measures have been relevant, successful and well accepted (increased transparency, SFM objectives, newly strengthened police action, clarification of responsibilities and procedures, strengthened penalties) and some outcomes are regarded as sustainable (national dialogue, education, use of voluntary certification). Other measures, or the lack of them in some aspects, have been less popular and efficient. In particular, the forest sector legislative framework and management structure have been instable and often perceived as controversial and fuelling inefficiency, corruption and bureaucracy. All in all, the changes in legislations and regulations have been not so successful; there were *“too many changes, sometime very controversial and excessive”*. Key problems identified include the double standards in law enforcement, corruption and bureaucracy.

For one respondent: *“The police actions are working against [weakly] organised criminal groups and local communities’ members breaking the law, however usually [less efficiently] against [real] organized crime”*; *“It is difficult so far to assess the effectiveness of the Roundwood Act, since it is new”*; and *“No measures are taken to develop green public procurement policies or support voluntary certification systems”*. The respondent added that *“There are no adequate measures taken against illegal logging performed in violation of logging prescriptions (e.g. salvage logging and thinning permits), since it needs better control of logging sites in field by qualified forest inspectors – there is not enough of them in the field (less than 3 for 100’000 hectares), they are [poorly] motivated and equipped. No adequate measures are taken to improve the situation due to [cuts in] federal funding”*. Sources consider it a relevant measure against illegal logging that the Roundwood Act prohibits the placing on the market of wood that is harvested by citizens for their own needs (implementation only started last year).

In April 2014, Forest Trends released a policy brief about the **Roundwood Act**³⁷⁰ that *“describes the scope and requirements of the Act and analyses implications for processors and importers of Russian timber [including Chinese buyers], focusing on the potential of the new amendments to minimize the risk of sourcing illegal timber as part of a due diligence system [as required under the EUTR]”*.

As it comes out the law has a limited scope (round wood of different species (pine, spruce, larch, fir, etc.), but labelling only for oak, beech and ash; not applicable to wood harvested for local use). Its implementation is phased in over 2014-2016, with [EGAIS] system development starting 01.02.2014 and implementation due by 01.07.2015, at which stage an obligation to declare all transactions involving round wood online is introduced and enforceable as of 01.01.2016. It contains procedures for the measurement and marking of timber, for the online declaration of transactions [in the EGAIS tracking system], and for reporting data *to*, and making requests concerning data *from* the system. For **application in due care/due diligence systems** [e.g. EUTR], it [i.e. the EGAIS tracking system] *“may”* provide access to information of origin and species.

The review identifies *“current limitations”* or dependencies³⁷¹, as well as a likelihood that *“the need for field verification will still exist”*. Not the least limitation, *“the law and its implementing regulations [had] not yet been fully developed”*. Finally it predicts *“limited usefulness of the Act regarding EUTR and Lacey Act”* due to *“current status of forest law enforcement and the limitations of the Act”*.

³⁷⁰ Analysis of the Russian Roundwood Act (www.forest-trends.org/documents/files/doc_4453.pdf), financed by DFID FGMC, written by NEPCo. Abstract: www.forest-trends.org/documents/files/doc_4279.pdf.

³⁷¹ In terms of: *“implementing regulations and procedures, correct implementation, enforcement, corruption, sawn wood gaps in chain of custody, underlying legality needs, timber assortment loophole, and access to the online Information System”*.

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According to one interviewee, the [EGAIS] **tracking system** was being developed under the FFA Division 'Roslesinform' of the State Unitarian Enterprise (100 % governmental)³⁷². The idea is that *"by 2016 every individual log should be marked"*, which means that *"any untagged log is illegal"*. A properly tagged log is supposed to originate in a legitimate forest permit, to which those tags are only allocated, which suggests that the forest is under control of the authorities and that *"all logs receive legal paper work"*. For the interviewee, *"the system could work - if there was good forest management"*.

However, several problems were mentioned related – among others - to the *definition of legality*, to the *lack of control over unleased forests*, and to *volume control procedures*. In particular *"the starting point of the whole problem is that forest inventories can now be outsourced and may be totally inaccurate, possibly resulting in huge discrepancies compared to reality, because forestry authorities do not check the inventories properly (up to 300% overestimated timber inventory reportedly denounced by Greenpeace)"*, and in *"illegitimate logs being legalized with official tags"*. There are allegations that *"the proportion of illegal logs could amount to 30%, easily sold to China, including with false certificates of origins "from China"."* This is *"a situation that the EU must address with China"* (because *"Russian traders tend to sell to the East, and China has a complete logging ban"*).

What is still missing, according to some of the stakeholders, are (a) measures to fight corruption (including the double standard approach) *"as evidenced by Transparency International assessments"*³⁷³, (b) a more adequate State Programme for Development of Forestry in 2014-2020, including proper funding (state budget funding for 2015 and 2016 is down 20%, equivalent to 50% based on real inflation); and (c) recognition of the need for Adaptation to Climate Change. Last but not least, repressions against most independent environmental NGOs (treated as *"foreign agents"*, the victims of aggressive propaganda in mass media, etc.) are still continuing.

One stakeholder also mentioned that *"In terms of law enforcement, the situation is contrasted among the regions, because different regional governments have different attitudes to forests, and some critically lack money and staff"*, and that *"Russia should return to the former Soviet system of forest management"* which it is claimed *"still gives very good results, for example in Belarus (where illegal logging is recognized to be close to zero)"*. The same person regards *"the current approach as a dream, of a forest sector where – like oil – everything is delegated and is easy to control and very profitable as the government "just get the taxes"; but this just doesn't work with forests, and government "should take [control] back"*.

Lastly, another stakeholder adds: *"The forestry system that operated in the Soviet Union was in many respects optimal. This system has been destroyed. Errors cannot be corrected through small changes in the law"*, and concludes on Illegal Logging: *"The urgency of the problem has not decreased"*.

b. Initiatives supported by the EC and others

The ENPI-FLEG programme (phases I and II)

The *"European Neighbourhood and Partnership Instrument - East Countries - Forest Law Enforcement and Governance - Phase II Programme"* (in short the ENPI East Countries FLEG II Programme, or ENPI FLEG II Programme, or just ENPI FLEG) is the main instrument through which

³⁷² In an interview with RIA Novosti dated 30.10.2015 the Deputy Minister of Natural Resources and Environment Minister and Head of the Federal Forestry Agency, Ivan Valentik, confirmed that "from January 1, 2016 onwards [FFA] will commence full commercial operation of EGAIS (the State Unified Automated Information System for timber accounting and registration of transactions)

³⁷³ Transparency International (TI), Corruption Perceptions Index (CPI). See www.transparency.org/cpi2014.

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the EU has supported FLEGT-relevant action in Russia. Background information is provided in **Annex 2**.

The Mid-term Review of the ENPI FLEG II Programme (2015) carried out by independent experts³⁷⁴ is generally positive³⁷⁵ and states that the Programme in Russia has been able to play a unique and innovative role in the Russian forestry sector, and that ENPI FLEG experts have been able to make significant contributions to policy and legislation. The Programme has helped streamline issues and move them up the agenda; it has built a solid structure based on good cooperation; through careful planning and use of highly qualified experts, it appears to have accomplished a lot with relatively limited resources.

The ENPI FLEG Programme has also provided space for the private sector in RF to provide feedback on international measures against illegal logging. A **survey** held (through the Programme in 2014/2015) to investigate the readiness of Russian suppliers to comply with the requirements of the EU Timber Regulation demonstrated that EUTR Regulation has only a minimal effect to date. At the community level, ENPI FLEG is operating in an environment of weakening law enforcement.

As a result of EU-Russia tensions, there may be reduced government interest in activities supported by this ENPI FLEG Programme. Given these circumstances, forest sector stakeholders should take steps to safeguard what has been achieved to date by identifying alternative funding sources.

Some stakeholders interviewed view the ENPI FLEG Programme as timely and broader than the EU FLEGT Action Plan since they perceive the EU FLEGT AP as focusing on tropical Asia and Africa through the proposed voluntary licensing of exports (VPAs) (see EQ1). One stakeholder sees the need to enlarge the scope of the ENPI FLEG programme: *“The Declaration (St. Petersburg Declaration 2005) was also wider in terms of geographical scope, as it was signed by 44 countries whereas ENPI FLEG only covers 7 countries (Russia plus 6 other ENP countries); the issue of illegal logging tends to be diluted in ENPI FLEG’s broader agenda (SFM, governance etc.), for which “there is a need to review and enhance the objectives and implementation of the current ENPI FLEG Programme more in line with the ENA FLEG [St. Petersburg] Declaration that provided the initial directions for ENPI FLEG”.*

One stakeholder claims good success in some areas, e.g. building expertise, helping bolster the network (coalition) of NGOs including Greenpeace, providing them with information that they can use for what they need to do, trying to help organizing local citizen monitoring and thinking to build networks of monitors. A combination of community and Civil Society based monitoring, corporate procurement, FM certification, building examples of good practice... is encouraged; *“it will never though eliminate illegal logging but can squeeze it from different sides”.*

An Issues Notes prepared for the World Bank (2014)³⁷⁶ reviewed a selection of twelve initiatives (out of thirty) implemented by international organizations since 2005 in the Russian Far East and focusing on illegal logging and associated trade³⁷⁷. The problem remains acute and a number of gaps have been identified (including on methodology, communication, strategy) and recommendations issued to move from identification to targeted action in different areas, including increased Russia-China cooperation.

³⁷⁴ It has been indicated that this review is not endorsed by the Commission.

³⁷⁵ Like e.g. a relatively strong, well managed, well designed program, in some cases leading to systemic changes, stock taking of existing ICT for all countries to help address illegal logging activities, informing legislation, and dialogue and program partners well-regarded and FLEG well known, high ownership, likely having an important influence on participating countries adopting elements of European forestry sector approaches, ability to leverage small amounts of funding to achieve some significant impacts – such as increasing openness, transparency, and participating countries cover at least 7 and as many as 19 of the 22 St. Petersburg Declaration elements.

³⁷⁶ World Bank - Issues Note, Far East Forest Governance Study (P147563), Zakharenkov A., 2014

³⁷⁷ Most recent and comprehensive studies include: Liquidating the Forests: Hardwood Flooring, Organized Crime, and the World’s Last Siberian Tigers (EIA, 2013), and Illegal logging in the Russian Far East: global demand and taiga destruction (WWF Russia, 2013)

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AA2 (trade in timber - EUTR)

The analysis of legal and illegal trade flows (refer EQ1) has highlighted the role of Russia as a key supplier to the EU and the challenges of the flows through third countries, particularly China. Awareness of EUTR has been raised under the EU-Russia Dialogue and under the ENPI FLEG Programme (94% of companies are aware of the EUTR, see survey below). WWF is playing an important role in the latter, with regards to EUTR compliance. WWF, partly through the ENPI FLEG Programme, “is raising awareness of illegal logging and associated timber trade, of the EUTR and its requirements (which includes complete translation into Russian of all pieces of EUTR regulations³⁷⁸), developing practical tools for Russian suppliers and operators³⁷⁹, including a review of applicable Russian legislation³⁸⁰”, as one interviewee explains.

A survey was held (through the ENPI-FLEG Programme in 2014/2015) to investigate the readiness of Russian suppliers to comply with the requirements of the EU Timber Regulation. The results³⁸¹ show that although there is general awareness among the companies, only 47% know about detailed EUTR requirements, and only 45% of the companies exporting timber to the EU believe that the EUTR has a potential influence on their activities. The least informed companies are located in the Russian Far East where supply chains ending in EU are going through Asian intermediates.

One third (1/3) of companies have been approached by their EU counterparts with additional requests for information about timber origin, and only 40 % of timber export companies that are aware of the EUTR requirements have developed and introduced due diligence procedures; another 18 % are planning to do so in the near future. 48 % of the respondents presume the EUTR would only mean more paperwork to them, and 42 % of timber exporters are sure that the new law would neither help improve legality nor contribute to combating of illegal logging. 13 % of companies frankly admit that they are not sure of the legality of their timber. Only 1/3 of the respondents in the Russian Far East are sure that the product they sell to the EU market are completely legal.

Some respondents remarked: “the new Regulation will not help resolve the problem in case illegal timber is supplied for the domestic market”; there were comments that “irresponsible companies will be pushed out of the EU market to the Chinese one”. Several respondents said that for them “nothing will change in the real life” and “illegal loggers will continue to flourish, they have been transformed into bigger illegally operating companies affiliated to authorities thus transforming into mafia”.

Russian FSC certified respondents indicated increased due diligence by their certified buyers: among them, 32 % reported on additional requirements set by their EU counterparts, compared to 5 % of not certified companies; 29 % reported that EU operators introduced additional field legality checks, compared to 14 % of not certified respondents that are facing the same requirements.

The response rate was high — about 90 % of companies approached by the surveyors agreed to participate in the research. However, only half of companies approached for the survey in the Russian Far East agreed to answer legality questions, while in Irkutsk Region, 1/3 of companies refused to participate in the survey. This seems to be an indirect indicator, supported by other studies³⁸², that there are more legality problems in Southern Siberia and the Russian Far East, compared to other areas.

³⁷⁸ www.wwf.ru/resources/publ/book/803

³⁷⁹ www.wwf.ru/resources/publ/book/858, <http://www.wwf.ru/resources/publ/book/896>, in Russian language

³⁸⁰ WWF-Russia’s Guidance for Operators and Competent Authorities on Applicable Legislation of the Russian Federation for EU Timber Regulation, http://www.wwf.ru/data/membership/maileur/eur-995_2010_applicable-legislation-russian-federation-new_2.doc

³⁸¹ ‘Results of the survey of Russian forest industry senior staff awareness of the European Union Timber Regulation 995/2010’ (Shmatkov, N., O. Karaeva, A. Shegolev, R. Verin 2015. WWF, Moscow. 72 p.) - available at www.wwf.ru/resources/publ/book/eng/996.

³⁸² E. g. <http://www.wwf.ru/resources/publ/book/eng/776>

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One resource person advised that “the very strong message” is that *direct EU action is missing* and that *there is a lack of information for Russian business*. The results of the survey have been echoed in the Midterm Review of the ENPI FLEG II programme. They had been partly anticipated by the Expert Sub-group on FLEGC.

Conclusion

The effects of the EUTR in the RF are still limited, and although many companies have heard about the EUTR, only half (48%) of the exporting companies know about requirements and 40% of those that are aware have DD procedures in place. Part of the problem lies in the fact that many EU counterparts do not ask for additional information. As long as the EUTR is not well and harmoniously implemented across the EU, Russian illegal timber and wood based products may continue to enter the EU.

Recommendation

Efforts to explain requirements for the EUTR to exporting companies need to be increased, while full and harmonised implementation and enforcement of the EUTR on part of the EU side is required.

AA3 (Public Procurement)

Public Procurement (PP) of legal and sustainable wood-based products is not very prominent in Russia. There is no specific law on wood at RF level, maybe at regional/local government levels. A federal law on PP exists³⁸³. According to a contributor to this evaluation, it allows using some environmental parameters; its paragraph 32 44<FZ includes environmental characteristics of the subject matter of the procurement as one of the criteria for the evaluation of applications, and in theory legality can be included there. However for stakeholders interviewed such requirements are “not implemented into procurement practice” and “corporate procurement policies, implemented by companies like IKEA and International Paper, tend to be more successful than public procurement policies”.

AA4 (Private sector initiatives)

A number of large EU-based timber sector and paper sector groups have major interests in Russia's wood-processing industry, particularly from Finland (see also Finland Aide Memoire). They tend to have exemplary systems in place to minimise procurement of illegal wood-based raw material. An important element for risk mitigation, particularly in respect of the EUTR, is **certification**; most of Russia's exports of pulp and paper are likely to be FSC-certified (including those exported to China). Russia's exports of plywood are also likely to be FSC-certified. The FSC-status of the large particle / fibreboard mills which are partly owned by EU-based groups is judged to be less certain. Public and corporate procurement policies across the EU have helped pull through a shift to certification - as has a need to minimise reputational and other risks of working in Russia - probably starting before 2003. (Source: expert contribution)

A major effort has been undertaken in Russia to form a responsible **domestic market** (responsible production and responsible consumption). Campaigns were launched, for the first time, in Russia to promote “legal and sustainable” wood-based products, not only timber. This included two campaigns, launched in 2009 and in 2012 by FSC-Russia in collaboration with WWF Russia and other

³⁸³ Federal law of April 5, 2013 No. 44<FZ “On contract system in procurement of goods, works, services for state and municipal needs”, which entered into force on 1 January 2014.

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partners (producing and trading companies, implementing sustainability standards, and stakeholders promoting sustainably produced wood) to *increase recognition of the FSC logo and brand name in Russia and on “ecologization” of consumption*³⁸⁴. The most supportive companies are said to have been the major international companies operating in Russia³⁸⁵, but some Russian companies are also joining that movement (including Archangelsk and Vodga pulp and paper mills and the furniture sector)³⁸⁶.

The campaign involved educating middle-class consumers, sensitive to the concepts of legality, responsibility, and environmental and social issues, and with a green life style and buying power. As a consequence of this campaign, broader movements started to develop - with FSC involvement – such as green office, green building, green standards of Sochi Olympic Games, etc. According to stakeholders interviewed, these efforts are *“successful and should be continued and supported”*.

Forest management and chain of custody (CoC) certification is confirmed as having become a major tool that the private sector is using to comply with EUTR and similar requirements. Over the last 10-15 years, the area of FSC-certified forests (the dominant scheme in Russia) has increased from 0 to over 40 million hectares, which makes Russia rank 2nd in the world. The number of CoC certificates exceeds 450 (as of 05.08.15) and 25% of privately managed forests in Russia are FSC-certified, representing the majority of companies trading with the EU.³⁸⁷ Below, we present the case of IKEA in Russia, in order to illustrate the policies and adaptation measures that the private sector – in this case the IKEA Company – puts in place for the procurement of Russian timber. (Pers. comm.)

Case: IKEA in Russia

The IKEA Group has 90% of its sales subject to Australia, EU and US timber regulations. Since 2009, IKEA has developed and is using in Russia its “IWAY” policy standard, and a Supplier Guide to implementation of the requirements. IWAY is mostly modelled on the FSC Controlled Wood (CW) Standard: for timber originating from high-risk countries (which includes Russia), risks of illegal logging, loss of high conservation value forests (HCVFs), social conflict areas, conversion timber, and genetically modified organisms (GMOs) must be mitigated. Three times in the year, all tier-1 suppliers must provide Forest Tracing Survey (FTS) reports to identify their sources (with FSC CW, EUTR-like information). Data from the reports is uploaded to an IKEA proprietary software tool. IKEA then uses a combination of 2nd-party audits (by internal auditors), plus sampled independent 3rd-party audits, on about 40% of the supplies. The auditor may ask to access and audit the logging site.

Notes: 1/ IKEA confirms that IKEA buyers only know information on the tier-1 supplier and the (declared) origin of the raw wood (down to district level), *not on the sub-suppliers up the chain*. Like for certification systems, this is *not strictly compliant with the EUTR requirement that every step in the supply chain should be identified*¹. 2/ The system is not intended to provide full back-to-origin traceability for every finished wood-based product. For composed products (like boards), IKEA gets lists of sources per species.

IKEA has its own forest operations in Russia, which allows for benchmarking of supplier performance. From 01/09/2016, IKEA-Russia will aim at 100% FSC certified (Pure or using Mix credits), and, from 2017 onward, at outsourcing all audits to external auditors anyway. In partnership with WWF, IKEA finances consultants to assist suppliers. IKEA has given funds to FSC (200'000 €) to develop FSC certification in high-risk areas (Siberia, RFE), to train auditors, reduce social conflicts, and encourage changes in RF legislation (particularly for HCVFs to be excluded from the determination of the annual allowable volume of cut in economic operations; otherwise the entire allowable volume would be unsustainably harvested in the remainder of the territory)².

Footnotes:

³⁸⁴ See www.lesprom.com/en/news/FSC_Russia_launches_its_first_awareness_campaign_40773/www.wwf.ru/about/what_we_do/forests/certify/fsc_campaign/eng.

³⁸⁵ Including e.g. IKEA, International Paper, Ilim Group, Mondi, Tetrapak, and the Finish companies UPM, Stora Enso, and Metsa Group.

³⁸⁶ The producers of certified paper packaging material (Tetrapak) and office paper (Mondi) provided most of the funding and support.

³⁸⁷ Source: stakeholder interviews, quoting <https://ru.fsc.org/index.htm> - information only available in Russian language.

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1. In future, IKEA would like to use the FSC Online Claim Platform (OCP) – whereby all transactions are recorded in order for FSC to verify the validity of the claims – but expect some difficulty in getting all suppliers and sub-suppliers in the chain involved.

2. IKEA has demonstrated responsible procurement policies with regards to forest products. IKEA is currently engaged in two projects with FSC, in Russia and China, aimed at strengthening the FSC system and increasing its integrity in the regions. (Source: [FSC Statement: Russia - Ikea \(2 May 2012\)](#), <https://ic.fsc.org/swedwood-russia.323.htm>)

It is worth mentioning the ‘Voluntary Legal Timber Validation Programme’ (VLTP) which the Geneva-based inspection company SGS piloted in the Khabarovsk Region of the Russian Far East, from 04.2006 to 02.2009 on behalf of the Ministry of Natural Resources (regional Government), for the independent verification of legal origin/compliance and legal Chain of Custody to export of logs and timber products. According to the project manager, the Programme was successful, with about 2 Mm3 certified, and highly praised for its robustness. Its impact was eventually limited by its voluntary nature, the absence of real market incentive at the time (e.g. market demand in China, Japan and Korea) and the drop in log exports due to the steep increase of export taxes in 2008. The Programme was later incorporated in SGS’ global TLTV Programme.

AA 5 (Finance and investment safeguards)

According to stakeholders interviewed, foreign investments used to be quite considerable, but at this moment there are very limited foreign investments in the Russian forest sector. Russian banks and investors operate according to existing conditions, including high levels of corruption and double standards in law enforcement.

The NGO community tried to approach financial institutions operating in Russia with regards to their attentiveness for social and environmental impacts of their lending. Foreign banks are sensitive, and Russian banks are less sensitive. This Action Area of the FLEGT AP is one of the least developed.

On EQ4 Management, implementation and coordination

There is not much information available on coordination of all activities on the ground except that the National Programme Advisory Committee (NPAC) of the ENPI FLEG II Programme has proven to be an effective forum for discussing St. Petersburg Declaration issues, managing ENPI FLEG II activities and making decisions. Furthermore, the ENPI FLEG consultative body includes one FFA representative, which creates a bridge between Programme and authorities’ activities.

A reviewer of this evaluation finds it worth also mentioning those interagency commissions and plans on the ‘prevention of illegal logging and turnover of timber in the Russian Federation’ implemented at the federal level as well as regional levels. For the contributor, however, such “authority level” work doesn’t have an open character and it is difficult to find detailed reports or information on their work.

An important issue that was revealed while researching the Russian situation is that there is a deficit of communication between EU FLEGT Action Plan activities and e.g. the ENPI FLEG Programme: there is no information, news, or links on the ENPI FLEG and FAO FLEGT websites, on ENPI FLEG. Vice versa, the ENPI-FLEG-II website does not give any information on other FLEGT processes or any relevant link³⁸⁸. On the ec.europa.eu/environment/forests website, there is no information about

³⁸⁸ Consulted on this issue, the World Bank clarified as follows: “While this may be factually correct, it is beside the point as this is not part of the WB-EC Agreement to place information about EU FLEGT activities or link to it on World Bank websites. The FLEG II Website www.enpi-fleg.org has been established as part of regional activities to maintain a high-quality Internet site in English and Russian on state of the art forest sector governance and reform. This website covers all issues related to FLEG II activities in 7 ENPI countries and on the regional level. As all other EU Regional Programs, we were invited to present and share information on our FLEG II activities at the

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EFI, FAO, or Chatham House FLEGT Internet pages. On the World Bank (WB) Forest law enforcement and governance website there is no information about FLEGT activities either.

Conclusion

There is a lack of communication and exchange of information between the different FLEG/T initiatives (ENA FLEG/ ENPI FLEG I, II/EU FLEGT AP/WB Forest and Governance initiatives etc.); therefore, opportunities for increased visibility, cooperation and synergy are missed.

Recommendation

To improve the communication and exchange of information between the various FLEG/T initiatives so as to enable a better mutual understanding of different approaches and - where necessary - to align the initiatives, especially in producer countries that deal with various FLEG/T initiatives, such as Russia.

On EQ5 Achievement of objectives

Illegal logging and related trade

Russia holds the largest forest area in the world, yet, one in every five or six forest products are thought to originate from illegal or controversial sources, according to recent surveys of WWF Russia and information from Russia's federal forest agency³⁸⁹. The expert evaluation of illegally harvested timber percentage, performed by WB experts under the ENPI FLEG Programme (2010), came up with the following results: Khabarovsk Territory 21%, Krasnoyarsk Territory 22%, Arkhangelsk Region 11%. The second expert evaluation, which took place in 2013 in the same regions, showed that the illegally harvested timber percentage had decreased and now amounted to roughly 15% (Source: stakeholder contribution). This should be compared to roughly 7.5% for the whole of Russia (see **Annex 1**).

Illegal logging is still a problem in Russia, especially in some sectors and regions (internal market, remote areas, Russian Far-East - export to China, Northern Caucasus etc.). However, the volume seems to be decreasing, partly thanks to increased awareness and attention from the authorities, to coordinated action in the field between authorities and NGOs (e.g. WWF) - especially in the Far East - to identify illegal logging sites and catch illegal loggers on the spot, to rapid development of voluntary certification systems, and, sadly, to the decreasing availability of valuable timber close to infrastructures, for either legal or illegal use (Source: stakeholder interview).

Under EQ 1, it was estimated that RWE volumes of illegal imports of timber and paper by the EU and other consumer countries together from Russia decreased between 2003 and 2013 from 8.46 to 3.34 Mm³, while the imports by China rose from an estimated 6.51 to 11.37 Mm³. The total annual amount is roughly the same, which would indicate that illegal timber exports from Russia have not decreased in total but may have been more concentrated in the Russian Far-East while they in fact decreased in the other parts of Russia. Sources say that the situation is not changing very quickly and that, sometimes, illegal logging takes place after forest fires (the fire area is artificially increased in reports and the difference is felled and sold illegally).

Capacity4Development platform – <http://capacity4dev.ec.europa.eu/env-east/> and coordinate our press releases issues via RSS with the ENPI Info Center.”

³⁸⁹ www.lesprom.com/en/news/FSC_Russia_launches_its_first_awareness_campaign_40773, 2009

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Conclusion

Illegal Logging in Russia is still important and mostly concentrated in the Russian Far-East, where exports of raw wood from illegitimate or incompliant logging operations easily reach the neighbouring Chinese market largely unchecked by authorities often “turning a blind eye”. Some decrease has been reported, due to a number of efforts including better awareness and education, improved legislation and transparency, progress in law enforcement, new regulations in consumer countries (incl. EUTR), Civil Society scrutiny, use of certification etc. There is a need to pay attention to further development and coordination of work related to Russia-China–EU trade flows in wood products with focus on legality.

Governance

In terms of improved **governance**, it seems the views on FLEG are changing in the various regions of Russia. The federal subjects of Russia have developed and are implementing integrated measures on the prevention of illegal logging and illegal timber trade, including improvement of local legislation. In most regions, interagency committees have been created and are actively functioning. Cooperation agreements with law enforcement, customs and tax authorities have been signed. Under these agreements, the agencies are actively organizing joint inspections and forest patrolling by mobile groups, and setting up signs and checkpoints (Round table 2014).

However, for other observers, weaknesses and problems remain in both forest governance (limited public awareness, criminality, lack of control especially over unleased forests and over compliance with logging prescriptions) and, more generally, governance (law enforcement, vested interests, corrupt practices, easy exit to China for illegally harvested wood, political repression against environmental activists). In addition, there are structural constraints (size of RF territory, poor infrastructure, access to forests) and other challenges (obsolete forest industry, use of forest resources, especially in remote areas and after e.g. fire/pest disasters, illegal logging...). One specific challenge is the inaccuracy of forest inventories, which allows the laundering of much illegal logging. The new “liberal” vision for the forest sector is not shared by those who think it is not suitable for the forest sector and who regret the collapse of the former soviet system of forest management (still in place in Belarus).

Sources regard the forest sector as being in *“a need of transition to a fundamentally new model of forest management - the legal framework needs to improve, including a change in the rules of harvesting and reforestation, determination of allowable cuts, improve the accuracy of [inventories of] forest resources, implement the Concept of intensification...”*.

Under the **ENPI FLEG Programme**, an analysis of the effectiveness of measures taken against illegal forest uses was carried out. The most efficient measures are the following: legislative system improvement, strengthening oversight functions, and implementation of timber accounting systems³⁹⁰.

For one interviewee, all FLEG/T measures work to a reasonable extent, through increased transparency, using the “Open Government” process³⁹¹, and active dialogue, using the Federal Forest Agency Public Council and also ENPI FLEG II Programme activities. Most effective progress areas are voluntary certification, dialogue with authorities, transparency and education. Changes in legislations and regulations have been less successful, due to too many changes, sometimes considered to be very controversial and excessive. Key problems include so-called “double

³⁹⁰ See Analytical Note, FLEG II: Progress under the Country Work plan for the Russian Federation, July 2014, at www.enpi-fleg.org/site/assets/files/1544/fleg_resume_1.pdf.

³⁹¹ The RF eventually did not join the Open Government Partnership (OGP) and is said to be pursuing “open government” on its own terms (www.opengovpartnership.org/blog/alex-howard...)

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standards” in law enforcement, corruption and bureaucracy; and limited knowledge and attention to the illegal logging issue in Russia as a consumer country.

One of the actors stated “Perhaps the ENPI FLEG Programme’s most important contribution is the steady, sustained effort of our engagement as improving governance will involve changing behaviour and this takes time. Many interlocking pieces have to come together. Due to external factors and changing circumstances, improving forest governance will always be a work in progress. So we need to continue working on this topic and to strive for improvements in this important and vital sector”.

On EQ 6 Emergent outcomes

No information

On EQ 7 Higher objectives

No information, except the notion that for one of the stakeholders *“the problems related to poverty and unemployment among populations in the woodland settlements are yet to be solved”*.

On EQ8 Efficiency

Looking at the amount of funding provided by the ENPI FLEG II Programme, the activities, and the quality of the work, the Programme is judged cost effective. It is much more efficient than past programmes (such as TACIS). Compared to the State Programme for Development of Forestry in 2014-2020, it is very cost efficient (Source: stakeholder contributions).

One actor adds that the state also incurred costs related to the application of measures to prevent illegal logging and quotes Greenpeace in that official development costs of the state system of round wood accounting under Roundwood Act [EGAIS] amounted to about half a billion rubles (www.forestforum.ru/viewtopic.php?t=18156). The actor also mentions that *“efficiency of this system is not clear yet and of doubt in some circles of stakeholders”*.

On EQ9 Sustainability

Concerning the continuation of current processes, one stakeholder said that the current political crisis is *“unfortunate, but it is happening; processes are still operational, it is very important to continue to cooperate in this important issue, building bridges between our countries, beyond the political context”*; and *“the EU-Russia Environmental Dialogue is a very good instrument to be used, it should meet twice a year”*. It was also mentioned that *“the ENPI FLEG II process is active”*.

Regarding certain action areas of the FLEGT AP, some of the Russian resource persons said in substance that *“now is not the best time to talk about these issues, as currently there are no active diplomatic relations between Russia and the EU, due to lack of mutual trust; for example, there was a EU-Russia Environmental Dialogue that is currently suspended”*.

To the question of *“How likely are your mechanisms, systems and positive impacts to be sustained?”*, one response was that transparency is driven by the *“Open Government”* process [see EQ 5, Governance] promoted by the Government; which is why improvements, thanks to the ENPI FLEG I and II Programmes will develop further in the future or, at least, will not decline. Education books, prepared as part of ENPI FLEG I/II will be used for many years. Voluntary certification and promotion of the use of certified timber products are supported by environmental NGOs and by

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Russian industry, which recognizes usefulness of such type of certification. They are therefore likely to be sustained.

On EQ10 Coherence and Community added value

The EU-Russia Environmental Dialogue and the ENPI FLEG Programme are not, strictly speaking, FLEGT instruments; however they do receive EU funding and have been found to be coherent with actions foreseen under the FLEGT AP. Furthermore, these actions are considered to respond to a need to re-balance FLEGT interventions with actions in non-tropical forests.

As already mentioned under this evaluation, the use of biomass as source of energy, as discussed at the 7th meeting of the **Expert Sub-group on FLEGC** in 2013 for EU-Russia cooperation in that field, may raise issues of coherence between different EU policy areas, in terms of sustainability, FLEGT, REDD+, and energy biomass. In particular, the use of woody biomass for energy production generates considerable controversy in terms of 1) pressure on the resource in exporting countries, reportedly causing illegal logging, 2) whether biomass is really a renewable resource if its intensive exploitation affects biodiversity and soils), and 3) whether biomass is really a carbon-neutral energy if there is no guarantee of equal carbon sequestration from its re-growth. The NGO FERN is closely following these issues and has issued several reports.

Conclusion

The EU should pay attention to the varied controversies on the use of biomass as source of energy in relation to associated issues of illegal logging, renewability and carbon neutrality, and should resolve coherence issues.

3. Main Conclusions and Recommendations

Conclusion 1

Although the problem of illegal logging itself started to be widely discussed in Russia quite early, at the beginning of 2000³⁹², the **EU FLEGT Action Plan** did not have much relevance for the Russian stakeholders until the EUTR was developed and issued: in the absence of a trade element applicable in Russia, FLEGT was not perceived as adding value to the regional ENA FLEG process; also FLEGT was regarded as focusing mostly on *tropical* forests (through the current VPAs). It is only around 2010 that, in the eyes of the stakeholders, FLEGT became relevant to Russia, with the EUTR providing a trade control mechanism and FLEGT therefore eventually paying attention to “other than tropical” forests and wood based products. Active discussions, round tables and workshops with EU representatives and stakeholders started to be organised in 2011.

For the EU, Russia is very relevant since a large share of wood based products imported into the EU comes from Russia directly or through third countries, and part of this is allegedly illegal. Also, Russia is committed to combatting illegal logging and is actively doing it, for which it has welcome support from the EU (until 2013 at least). In addition, the EU is an important client for Russia’s exports. There is therefore common interest in cooperating on forestry. Since it is unlikely that a EU-Russia VPA will ever be further considered, other measures should be prioritized in support of effective EUTR implementation for wood from Russia.

³⁹² It was initiated by stakeholders, mostly NGOs (recommend references of relevant (WWF Russia) reports: ‘Analysis of Illegal Logging and Practices in the Russian-Japanese Timber Trade’ (WWF, 2002, www.wwf.ru/resources/publ/book/eng/8), ‘Illegal Logging in the Southern Part of the Russian Far East’ (WWF, 2002, www.wwf.ru/resources/publ/book/eng/13), ‘The Russian-Chinese timber trade: Export, Supply chains, Consumption, and Illegal logging’ (WWF, 2007, www.wwf.ru/resources/publ/book/eng/234), “etc.”).

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The **ENPI FLEG Programme**, though partly identifiable as a spin-off of the EU FLEGT Action Plan and in fact very relevant to FLEGT objectives, is not perceived as related to FLEGT by most people. The programme is rather seen as implementing the 2005 St. Petersburg ENA-FLEG Declaration. This is partly due to the lack of coordinated public communication between ENPI FLEG and the institutions dealing with and communicating on FLEGT (EC, FAO, EFI, among others).

Recommendation 1

*The EU should promote coherence between the FLEGT and ENPI FLEG instruments. Since the EU FLEGT Action Plan has for a long time been regarded as an initiative focusing on tropical timber and wood based products, it is paramount that **communication on and around the FLEGT Action Plan** takes non-tropical realities better into consideration.*

*Considering the relevance of working ‘on the ground’ on illegal logging and governance in Russia, the **ENPI FLEG Programme**, and especially its Russian component, should be maintained. It provides a unique and suitable framework for implementation of FLEGT Action Plan action areas and the EUTR, as well as the St. Petersburg Declaration. Trade regulations (EU and others) could provide the common thread for a large range of relevant supporting activities for delivery of more tangible and sustainable outcomes.*

*Despite current tensions between the EU and the Russian Federation, efforts need to be strengthened through **bilateral and multilateral policy dialogues and cooperation** – involving China as well.*

Conclusion 2

The **effects of the EUTR** in the Russian Federation are still limited and, though many exporting companies have heard of the EUTR, only half of them know about requirements and 40% of those aware have Due Diligence procedures in place. Part of the problem lies in the fact that many EU companies do not ask for additional information. As long as the EUTR is not properly and evenly implemented across the EU, Russian illegal timber and wood based products may continue entering the EU.

Recommendation 2

*Efforts to explain EUTR requirements to exporting companies need to be increased, while a harmonised and proper implementation and enforcement of the EUTR on the EU side is needed to create a demand for adequate legality assurance. More **effective EUTR implementation** is also critically needed in case there is evidence that China is still “laundering” illegal timber from Russia to the EU.*

Conclusion 3

There is recognition that Illegal Logging in Russia has decreased, even in the Russian Far-East, due to a number of efforts. But there is criticism that well-known underlying causes and factors for illegal logging continue playing an important role and are not being addressed properly by FLEGT. These include poverty and dependence on forests, criminality and sophisticated fraud, inappropriate legislation (either inapplicable or excessively bureaucratic), and weak law enforcement, due to lack of means for especially in-field control and to widespread corruption. Some are forest governance issues and others are more **general governance issues**, meaning the latter must be addressed both in, and outside the forestry sphere; and most of these issues are drivers that FLEGT is not addressing directly and on which it has limited impact, as expressed by some stakeholders.

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In Russia, these drivers can only be addressed – in terms of current action areas of the FLEGT AP or additional legislation -, (i) through EUTR, but due diligence techniques may be of limited use to tackle these issues, so rather (ii) under ‘Support to producing countries’. But - quite importantly - there is a feeling that the seven action areas and the EUTR have generally not been designed (at least not specifically) to address the broad governance issues and the root causes of illegal logging.

There is further criticism that **other major forestry-related problems** reported in Russia (forest fires, inefficient mobilization and use of the resource, forest-land encroachment, land conversion, need for adaptation to climate change, etc.) are not covered by FLEGT, which may also undermine the perceived usefulness of FLEGT action and the motivation to follow FLEGT requirements.

Recommendation 3

The EU FLEGT Action Plan has been designed principally to tackle illegal logging, with a general aspiration for contributing to higher objectives however the Plan is much less prescriptive in that regard. Feedback from Russia may suggest that more concrete action need to be planned, either as new action areas or possibly as part of the ‘Support to producing countries’, to address some of the **broader governance issues** that are underlying causes and factors for illegal logging as well as some of the other major problems and limitations that affect the forest sector.

Conclusion 4

Illegal Logging in Russia is still important and mostly concentrated in the Russian Far-East, where exports of raw wood from illegitimate or incompliant logging operations still mostly reach the neighbouring Chinese market.

Recommendation 4

To pay attention to further development and coordination of work related to “Russia-to-China-to-EU” trade flows in wood products, focusing on the legality of wood.

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Annex 1 Russia's role in the international and EU trade in timber

Chart 1 below illustrates the structure of the import/export Russian market, Russia essentially appearing as an exporter of raw logs and sawn timber and a net importer of further processed and finished products.

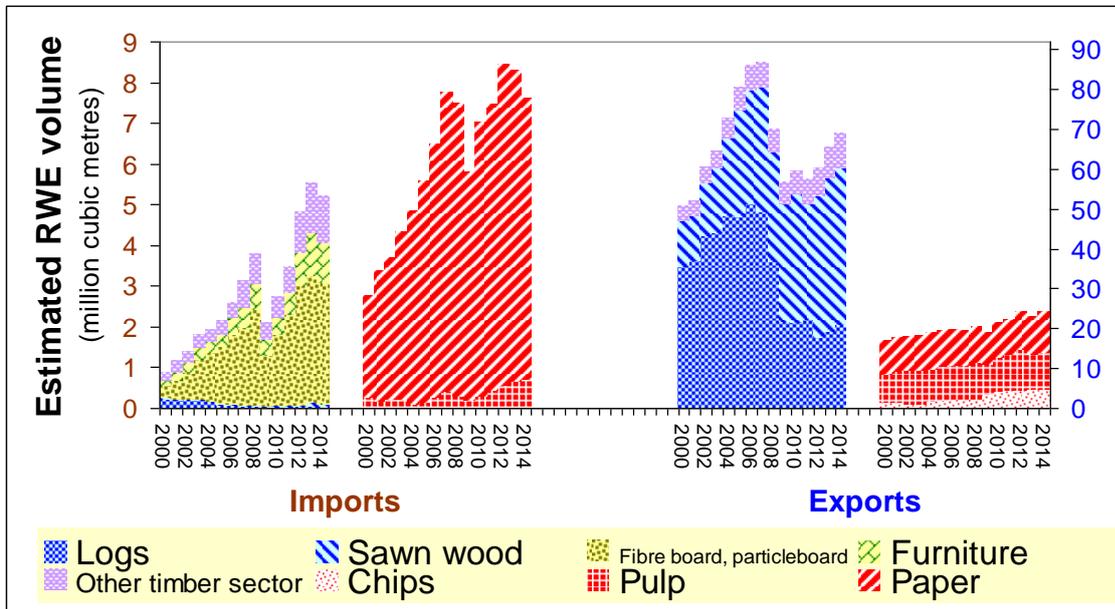
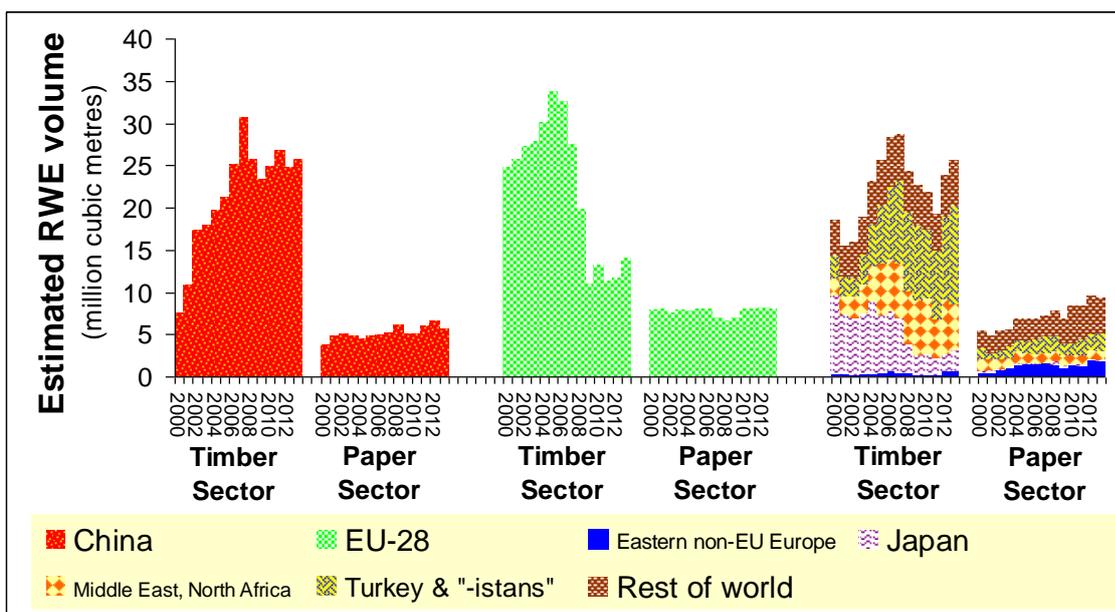


Chart 1 – Russia's imports and exports by product form (Source: data compiled by the EU FLEGT evaluation team based on UN Comtrade data)

Chart 2 below provides "the relative scale of Russia's exports to different destinations". The very large increase in exports to China (a response to China's Natural Forest Protection Programme) during the first half of last decade is notable, as well as the slump in exports (of logs) to the EU during 2008 and 2009, and that China and the EU together account for roughly two thirds of the round wood equivalent (RWE) volume exported from Russia.



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Chart 2 - Russia's exports by sector and (initial) destination

(Source: data compiled by the EU FLEGT evaluation team based on UN Comtrade data)

An extraction of Russia's exports to EU-28 countries allowed identifying the top 5 destinations (on average over the last 5 years, 2010-2014), for which trade is most significant for Russia:

1. **Finland** (35% of total EU-28 imports from Russia) imports a much larger quantity of wood-based products from Russia than any other EU Member State does. Much of that amount is transformed in Finland for export to other EU Member States and elsewhere.
2. **Germany** and **Sweden** each account for about 10% of the total – in terms of roundwood equivalent volume. **Denmark** (also around 10%) has become a leading importer because Russia is one of its leading suppliers of wood pellets (much of which is burned in combined heat and power stations).
3. **Estonia** (likely for subsequent export), **Poland, Italy, The Netherlands, the UK and Belgium** are around 5% each.

On that basis, it is possible to suggest increased focus on bilateral cooperation with Russia for targeted EU MS and strengthening measures accordingly, in the contexts of enhanced labour division among EU MSs and pursuance of FLEGT's higher objectives (especially Sustainable Forest Management and poverty reduction in the direction of actors operating in domestic timber markets).

As to the respective **weight of the EU in Russia's exports**, data indicate that the percentage of the (estimated) RWE volume of Russia's exports of wood-based products to the EU-28 declined from about 50% to roughly **20%** over the last decade to 2010 and have remained more or less stable since then³⁹³. The decline was less, from 45% to 35%, for the paper sector alone.

Concerning the **weight of Russia in EU's imports** (from outside the EU), Russia is one of the EU's leading suppliers of wood-based products, particularly of logs, chips & residues, sawn wood, plywood and paper. Overall, Russia supplies about **15%** of the RWE volume of wood-based products that the EU imports. One country, Finland, is the initial EU destination for most of this, including for transformation prior to onwards export. However, Russia is also the leading (non-EU) supplier of timber sector and/or paper sector products to several other EU Member States, either in general or in respect of specific product forms (such as sawn wood). The quantities being imported have fluctuated during the period covered by this evaluation of the FLEGT Action Plan, particularly in response to economic factors such as increases in Russia's export tariffs on logs and fluctuations in construction activity³⁹⁴.

Estimates of illegal logging and associated timber trade

Trade statistics are prone to wide margins of error, due to the varied classification methods and conversion factors used, and even more so for estimates of illegal logging (that are by definition unrecorded), also taking into account the difficulty of defining what is legal and what is not under

³⁹³ Rounding the figures to the nearest 10% makes it easier to comprehend the trends and relative scale.

³⁹⁴ www.duediligencetimber.eu/Russia.htm

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Russia's forestry code. "No methodology or assessment system exists to allow a reliable accounting of the amount of illegal logging in the Russian Federation"^{395 396}.

Chart 3 on the next page shows estimates of illegal exports, based on the "illegal" imports of timber and paper sector products by leading importing countries³⁹⁷. The associated data provides estimates of RWE volumes of illegal imports *from Russia* by leading importing countries as follows:

Estimated RWE volumes (million cubic metres)	2003	2013
China	6.51	11.37
EU	4.35	1.11
Japan	1.28	0.39
US	0.14	0.05
Others	2.69	1.79
Total	14.97	14.71

The ratio of illegal exports, from the above total for 2013 (15 million cubic metres), to the total annual harvest (200 million cubic metres – see p.1), is roughly 7.5%. What strikes out of these figures are the rise of China (from 6.51 to 11.37) and the decline of the EU (from 4.35 to 1.11) and of all other countries together (from 4.11 to 2.23) as importers of illegal wood from Russia, and also that the total annual amount is roughly the same).

The trade flows that are of the greatest importance in the context of the FLEGT Action Plan in fact are from Russia to China (a good part of which is processed and re-exported by China as manufactured products). Much has been written about the criminality and ecological damage being done, connected with the *illegal* flows from Russia (especially from parts of the Russian Far East) to China³⁹⁸.

Reference can also be made to the recent case of Lumber Liquidators under the US Lacey Act³⁹⁹, particularly because much of the illegal timber products that the EU imports from China are made at least partly of wood from Russian trees⁴⁰⁰. Other countries too, have tended to import finished products made in China – possibly partly from Russian wood - rather than importing wood raw material directly from Russia (reflecting lower prices through China, and with a view to avoiding reputational risk from direct association with corruption and crime).

³⁹⁵ Russian Federation Forest Sector Outlook Study to 2030 (FAO, 2012)

³⁹⁶ A reviewer of this evaluation points out that "In accordance with NGO's assessment, volume of illegally harvested wood in Russia is about 20-40 Mm3 [which would be 10 to 20% of the total harvest]"; according to authorities – about 1.5-2.5 Mm3".

³⁹⁷ It is based on the same methodology adopted in Chatham House's recent assessments (Hoare, 2015c), based on surveys of experts' perceptions, the literature and trends in certification.

³⁹⁸ One example is the report 'APPETITE FOR DESTRUCTION, China's trade in illegal timber, EIA, November 2012.

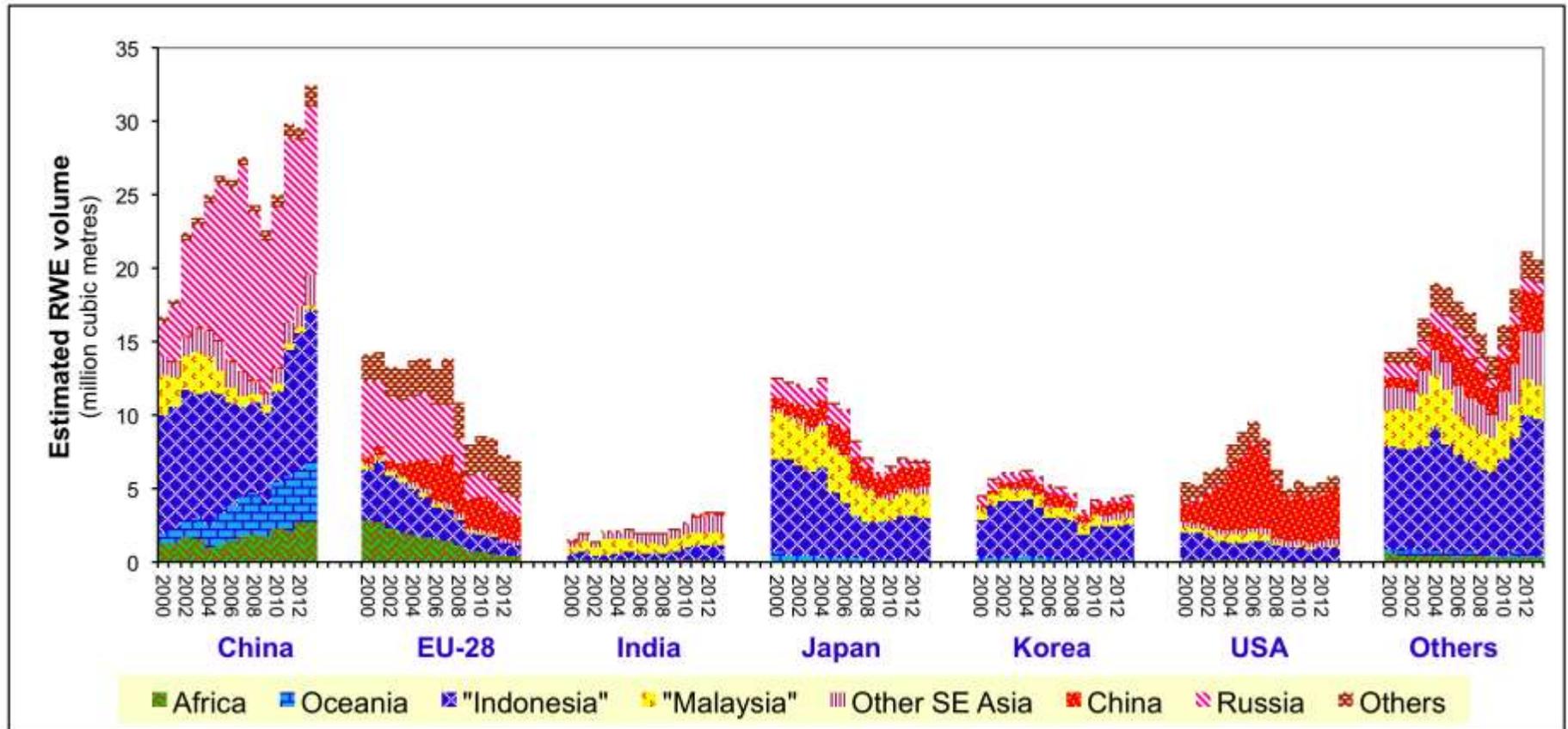
³⁹⁹ Lumber Liquidators admits to Lacey Act violations, 8th October 2015, <http://gtf-info.com/news/market-legality-requirements/2069-lumber-liquidators-admits-to-lacey-act-violations>. The EIA first exposed Lumber Liquidators' practice of allegedly importing illegally harvested timber, mainly from China and Russia, in its 2013 report 'Liquidating the Forests' (<http://eia-global.org/campaigns/forests-campaign/liquidating-the-forests>, http://eia-global.org/images/uploads/EIA_Liquidating_the_Forests.pdf).

⁴⁰⁰ It is unclear how much of these flows the EUTR is effectively stopping since it has been enforced in March 2013. The EUTR is potentially the most powerful tool for influencing EU imports from Russia - but this is a EU Member State competence and implementation is not yet consistent. It is also unknown how much of Russia's log, sawn wood and pulp exports to China is transformed in China and ends up in EU.

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Estimates of the "illegal" imports of timber and paper sector products by leading importing countries

*Based on the same source data, methodology and assumptions of illegality adopted in Chatham House's recent assessments**



(Source: data compiled by the FLEGT evaluation team based on UN Comtrade data)

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Annex 2 Background information on ENP, ENPI, ENPI FLEG and FLEG II, Russian component

The **European Neighbourhood Policy (ENP)** was developed in 2004, with the objective of avoiding the emergence of new dividing lines between the enlarged EU and our neighbours, and instead strengthening the prosperity, stability and security of all. It is based on common interests and on values of democracy, rule of law, respect for human rights, and social cohesion. The ENP is a key part of the **European Union's foreign policy**.

Through ENP, the EU works with its southern and eastern neighbours to achieve the closest possible political association and the greatest possible degree of economic integration. This ENP framework is proposed to the 16 of EU's closest neighbours. Partner countries⁴⁰¹ agree with the EU an ENP action plan or an Association Agenda demonstrating their commitment to [above values] and good governance, market economy principles and sustainable development. The EU supports the achievement of these objectives⁴⁰². The ENP was (...) revised in 2011⁴⁰³. (Sources: <https://ec.europa.eu/europeaid/node/321>, <http://eeas.europa.eu/enp>).

The **European Neighbourhood and Partnership Instrument (ENPI)** supports the [above] ENP. It has been operational since 2007. Its strategic objectives include the promotion of sustainable development. Within this framework, the Commission and partner countries established four principal axes of cooperation based on: a. the implementation of a strengthened dialogue on priority multi-sector reforms; b. the approximation of legislation; c. institutional support; and d. [of particular relevance to FLEGT] the objectives of the UN's Millennium Development Goals⁴⁰⁴. ENPI region: the ENPI's beneficiary countries are the ENP partner countries [see above] and **Russia**⁴⁰⁶. (Source: <https://ec.europa.eu/europeaid/funding/european-neighbourhood-and-partnership-instrument-enpi-en>). In March 2014, the new European Neighbourhood Instrument (ENI) was established, replacing the ENPI that expired on 31 December 2013⁴⁰⁸.

Ministerial Forest Law Enforcement and Governance (FLEG) Initiatives [coordinated by the World Bank] created the political "space" at national and regional levels to address the complex and

⁴⁰¹ Of the 16 ENP countries, 12 are currently already fully participating as partners in the ENP, having agreed on ENP action plans: Armenia, Azerbaijan, Egypt, Georgia, Israel, Jordan, Lebanon, Moldova, Morocco, Palestine, Tunisia, Ukraine; Algeria is currently negotiating an ENP action plan; Belarus, Libya and Syria remain outside most of the structures of ENP.

⁴⁰² Through financial support, economic integration and access to EU markets, easier travel to the EU, and technical and policy support. The EU also supports the civil society that plays an important role in bringing about deep and sustainable democracy in partner countries.

⁴⁰³ [following the 'Arab Spring' uprisings]. The objective of the EU's revised ENP is to support partners who undertake reform towards democracy, rule of law and human rights; to contribute to their inclusive economic development and to promote a partnership with societies alongside our relations with governments. The renewed ENP is strengthening cooperation in the political and security spheres, supporting economic and social development, creating growth and jobs, boosting trade and enhancing cooperation in other sectors.

⁴⁰⁴ At the Millennium Summit in September 2000 the largest gathering of world leaders in history adopted the UN Millennium Declaration, committing their nations to a new global partnership to reduce extreme poverty* and setting out a series of time-bound and quantified targets, with a deadline of 2015 that have become known as the Millennium Development Goals (MDGs). (www.unmillenniumproject.org)

* Note: Addressing extreme poverty in its many dimensions (...) while promoting gender equality, education, and *environmental sustainability*. They are also basic human rights - the rights of each person on the planet to health, education, shelter, and security. Most relevant to FLEGT is Goal 7 (Ensure Environmental Sustainability).

⁴⁰⁵ On 25 September 2015, the world committed itself to tackling its biggest development issues when the UN General Assembly approved the 17 UN Sustainable Development Goals (SDGs). The SDGs, with their 169 targets, replace the eight Millennium Development Goals (MDGs) adopted in 2000. Unlike the MDGs, the SDGs commit both developed and developing countries to attaining these goals. Among these is SDG 15, a *commitment to halt deforestation and substantially increase afforestation by 2020*. (Source: FERN, EU Forest Watch Issue 208, Oct. 2015)

⁴⁰⁶ Russia takes part in Cross-Border Cooperation (CBC) activities under the ENP and is not a part of the ENP as such. CBC promotes economic development and addressing the shared challenges such as the health, *environment* education in border areas between EU Member States and ENP partner countries. (Source: <https://ec.europa.eu/europeaid/regions/eu-neighbourhood-region-and-russia-en>)

⁴⁰⁷ Russia is no longer an Official Development Aid recipient. Under the EU budget there has been no more Multi-Annual Indicative Programme or Annual Action Plan for Russia since 2011. In 2014-2017, Russia will [still] receive support to civil society, academic exchanges and regional cooperation. (...) REGIONAL COOPERATION: Russia continues to benefit from the EU-funded initiatives such as the Cross-Border Cooperation (CBC). In 2014-17, seven CBC programmes benefitting Russia are foreseen. These tackle [among others] common *environmental problems*. (Source: https://ec.europa.eu/europeaid/countries/russia_en, Last update: 21/10/2015)

⁴⁰⁸ Source: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2014:077:0027:0043:EN:PDF>.

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politically sensitive issues related to illegal logging. Co-hosted by both “producer” and “consumer” governments and the World Bank, and in partnership with major stakeholders from civil society and the private sector, these ministerial-level political processes have aimed to mobilize international commitment from both producer, consumer and donor governments to *increase efforts to combat illegal logging as well as the associated trade and corruption in the forest sector*⁴⁰⁹.

With ministerial processes well under way, most of the focus has now shifted toward translating regional political commitment into projects and reforms at the regional and country levels. One such example is the **ENPI FLEG Programme**, funded by the European Union, which aims to support country level work and regional cooperation in the ENPI East Countries (covering Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine), and **Russia**.

The first **ENPI FLEG Programme** (2008-2012, 6 million EUR) was launched in 2008 (...). It followed up on the 2005 St. Petersburg (Ministerial) Declaration⁴¹⁰ whereby 44 country governments [from Europe and North Asia (ENA) and from other continents participating in the Conference] committed themselves to addressing illegal logging, notably through strengthening forest law enforcement and governance, and to improving forest governance in the ENPI region in general (Source: www.enpi-fleg.org).

Overview (Source: www.enpi-fleg.ru)

The major priority areas for ENPI-FLEG Programme defined by the project implementing partner organizations - the World Bank, WWF and IUCN and approved by the National Programme Advisory Committee (NPAC) are the following:

3. Increasing efficiency of the extremely complicated system of the forest legislation;
4. Increasing transparency of the forest logging, processing and trade chains;
5. Improving coordination between governmental agencies responsible for forest governance;
6. Support of rural livelihoods located in forests and securing their rights for access to forest timber and non-timber products;
7. Safeguarding access of citizens and other stakeholders to information about forest management and timber trade.

The priority is given to the activities that can provide immediate results to relief current tensions in the forestry sphere and provide practical tools for the forest law enforcement and governance.

The ENPI FLEG Project Country Team in Russia has already made significant progress in working with all types of stakeholders and at all administrative levels. However, recent consultations revealed an extreme interest in rapid resolving of the existing *legal and organizational contradictions in the Russian forest sector*. This opens great perspectives [for introduction and dissemination of the project results and outcomes] throughout the country. The National Programme Advisory Committee (NPAC) is constantly monitoring the Programme accomplishments and helps to implement its results in practice.

The second phase of the programme, the **[ENPI East Countries] FLEG II Programme** (2012-2016, 9 million EUR) builds on and further develops initiatives and activities undertaken during implementation of the first EC funded ENPI FLEG Programme to promote and support sustainable forest governance, management, and protection of forests in the ENPI East Countries - Armenia, Azerbaijan, Belarus, Georgia, Moldova, **Russia** and Ukraine.

⁴⁰⁹ The first regional Ministerial Conference on Forest Law Enforcement and Governance (FLEG) took place in the East Asia and Pacific region in 2001 (East Asia and Pacific region Ministerial Conference for FLEG, September 2001, Bali, Indonesia). Subsequently, ministerial processes were instigated in Africa (Africa FLEG Ministerial Conference, October 2003, Yaoundé, Cameroon) and in the Europe and North Asia region (ENA-FLEG Ministerial Conference, St. Petersburg, Russia, November 2005).

⁴¹⁰ http://siteresources.worldbank.org/INTFORESTS/Resources/FLEG_brochure_Final.pdf

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It ensures the contribution of the region's forests to climate change adaptation and mitigation, to ecosystems and biodiversity protection, and to sustainable livelihoods and income sources for local populations and national economies. It is funded by the EC⁴¹¹ and will be implemented (...) over a four year' period (2013-2016).

In particular, the Programme supports participating countries to: a. continue the implementation of the 2005 St. Petersburg FLEG Ministerial Declaration and up-scaling of successes of the ENPI East FLEG I project; b. formulate and implement sustainable forest policies, including legal and administrative reforms for sustainable forest management and [increased protection] capacity; and c. demonstrate the best sustainable forest management practices in targeted areas, for further replication.

At the 6th Meeting of EU Subgroup on FLEGT (2011 i.e. between the two phases of the Programme), indicating the mutual interest of the Parties, the agreed follow up had been that *“Continuation of the work so far must be ensured”* and to *“Look at the structure of ENPI FLEG II to make sure some activities could continue being financed”*.

Roles of the partners in the ENPI FLEG Programme (as tentatively constructed from different sources):

- a. The **EU** is funding the regional Programme in Russia with regional ENPI funds. Through the EU Delegation in Moscow, it takes part in setting and reviewing priorities in the country-specific context and provides information about FLEGT AP intervention⁴¹². The EU has a contract with the World Bank for the implementation of the ENPI FLEG Programme. IUCN and WWF are partnering with the WB in the implementation. Each implementing organization is said to have brought its comparative advantage to the Program;
- b. The **World Bank** leads on engagement with governments; it deals with both Federal and Regional authorities in Russia on FLEG issues, and helps improve legislation, and the level of competence through capacity building – without many FLEGT-targeted activities as such;
- c. **IUCN** has strong networks with NGOs and civil society; it aims public awareness and public engagement, working with citizens, and works on quantitative information to support actions, multiply impacts etc.; and
- d. **WWF** has developed positive relations with the private sector; it works with small & medium businesses, esp. with e.g. certification and technology on the ground - everything related to implementation of EUTR -, and informing EU/RU counterparts about applicable definition of Legality.

IUCN in ENPI is dealing with the small local communities. The IUCN representative explains the approach, which is to prevent illegal harvesting by citizens (for e.g. firewood, some building material). The background is: *“Before, you paid and you got a logging ticket, you went with a forest ranger to the forest and you could cut a tree. Currently, you have to go through the same paper work as for a big company (dealing with up to 15 authorities)”*.

What IUCN has done as a pilot project is: 1) provide alternative sources of revenues (based on e.g. eco-tourism, NTFPs); and 2) establish cooperation between protected areas and citizens. This is meant to have two effects: 1) local people get enough money to *buy legal* wood instead of cutting

⁴¹¹ The EU is the world's largest donor of official development assistance. DG NEAR (the EC DG for European Neighbourhood Policy and Enlargement Negotiations) manages the bulk of the Union's financial and technical assistance to the neighbourhood and enlargement countries.

⁴¹² The EU Delegation in Moscow also participates in the regular meetings of the FLEG II National Program Advisory Committee (NPAC) for Russia. EUD representatives are invited to all Program related events. There is intensive communication with the Programme to exchange information.

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illegally, and 2) they become independent from the surrounding forests. The citizens tend to protect their source of revenues. The model is said to be working and to be financially sustainable. The current scale of the project is one model area in NW Russia (Bezhanitsy)⁴¹³. Replication of the model in other forest dependent communities around the reserve as well as in other locations in Russia is part of the activities of FLEG II⁴¹⁴. The project is abundantly documented on the www.enpi-fleg.org website⁴¹⁵.

IUCN also works with regional governors, trying to raise awareness, how to stay away from association with forest crime.

Among other, WWF has developed a new **remote data processing system** for immediate response to illegal logging that is being tested by authorities in the Russian Far East; 3 groups of illegal loggers have already been caught when the system was tested in field. The system, known as "Kedr" is a computer system that compares satellite data for the same forested area each 5-7 days (Landsat). If differences in forest area (disturbances) are identified then a signal is available for an operator to check if these are due to illegal or legal logging, fire, pests outbreaks, etc. Note: it remains to be seen whether the resolution of the images is sufficient and whether the number and cost of procuring and analysing the images makes the routine use of such a system feasible. Experience in other parts of the world point to very high costs if the system is to be used to monitor large territories.

FLEGT-relevant activities of ENPI East FLEG II Programme⁴¹⁶ - Examples of such activities in Russia:

- 04/04/2014 - EU Timber Regulation in Effect: what Russian timber exporters should pay attention to⁴¹⁷. It's been a year now since Regulation (EU) No. 995/2010 was put into force (3 March 2013), a document designed to ban all access of illegally harvested timber to the European markets. Yet, there are issues of the Russian timber origin verification that remain unsettled.
- 25/12/2014 - A survey demonstrates a level of readiness of Russian suppliers to comply with the requirements of the EU Timber Regulation⁴¹⁸. (See analysis in this aide-memoire).
- 26/02/2014 - Recommendations for International Workshop on Promoting Legal and Sustainable China-Russia Timber Trade⁴¹⁹. Suifenhe (People's Republic of China), February 26, 2014: an international workshop on promoting legal and sustainable timber trade between China and Russia has been held to discuss the implementation and strengthening of forestry legislation. The EU funded FLEG II (ENPI East) Programme was presented during the event, alongside focal points of combating illegal logging and associated trades; improving cooperation between the countries; and the organisation of special forestry training for Chinese companies.

⁴¹³ Bezhanitsky Raion, Pskov Oblast, located near the Polistovsky Nature Reserve.

⁴¹⁴ Draft paper 'The Prospects of Developing Alternative Forest Resources Sustainable Management Practices in the South of Pskov Oblast (N. Milovidova, A. Zaitsev)

⁴¹⁵ Outcomes of FLEG II activities in Russia (www.enpi-fleg.org/news/fleg-2-in-russia/), A model of forest-based ecotourism in Bezhanitsy, Russia (www.enpi-fleg.org/news/a-model-of-forest-based-ecotourism-in-bezhanitsy-russia/), Master Classes Reveal an Unexpected "Alternative Resource" (www.enpi-fleg.org/news/master-classes-reveal-an-unexpected-alternative-resource/), Don't wait to innovate (www.enpi-fleg.org/news/dont-wait-to-innovate/), Russian Fashion magazine Highlights FLEG ecotourism work (www.enpi-fleg.org/news/russian-fashion-magazine-highlights-fleg-ecotourism-work/), Traditional Crafts for Christmas Support Eco-tourism in Russian Nature Reserve (www.enpi-fleg.org/news/traditional-crafts-for-christmas-support-eco-tourism-in-russian-nature-reserve/), Russia's Largest National Park Developing Ecotourism from the Remnants of Quartz Mines (www.enpi-fleg.org/news/russias-largest-national-park-developing-ecotourism-from-the-remnants-of-quartz-mines/)

⁴¹⁶ Source: <http://www.enpi-fleg.org/activities/russia/>

⁴¹⁷ Link: www.enpi-fleg.org/news/eu-timber-regulation-in-effect-what-russian-timber-exporters-should-pay-attention-to/

⁴¹⁸ Link: www.enpi-fleg.org/news/a-survey-demonstrates-a-level-of-readiness-of-russian-suppliers-to-comply-with-the-requirements-of-the-eu-timber-regulation-1, www.wwf.ru/resources/news/article/eng/13054, www.wwf.ru/resources/publ/book/eng/996

⁴¹⁹ Link: www.enpi-fleg.org/news/fleg-ii-enpi-east-presented-alongside-recommendations-for-international-workshop/

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- 18/02/2014 - Round Table in Arkhangelsk Will Discuss the Enforcement Outcomes of the EU Timber Regulation⁴²⁰. As part of Arkhangelsk Forest Forum, Arkhangelsk hosts on 2 April 2014 a round table: “Forest Management in the Context of the EU Timber Regulation”. A joint initiative of WWF Russia, TRAFFIC and Global Forest and Trade Network (GFTN), the round table is organized within the FLEG II (ENPI East) Programme financed by the EU.
- 10/12/2013 - Illegal logging in Russia: knowledge of its scale is of vital importance for effective decision-making⁴²¹. How much timber is logged illegally in Russia? No one knows the exact volumes. The ENPI East Countries FLEG II team has brought leading experts together to start developing a methodology to assess the volume of illegal logging in Russia at the federal and regional levels.
- To the question whether there has been any major **follow up to the regional FLEG Initiatives** since the 2005 St. Petersburg Ministerial Conference, apart from the ENPI FLEG Programme, or other notable **World Bank-led or supported activities in Russia** (forest sector), the World Bank provided the following comments and clarifications: “Both EU-funded ENPI FLEG Programs (phase I and phase II) represent the major follow up on the regional level to the FLEG Process and to follow up to the 2005 St. Petersburg Ministerial Conference. Since the ministerial conferences (St. Petersburg, Bali and Yaoundé) governance issues have become an integral part of all Bank forest engagement. For example, in Russia Bank and the Russian Government finance an investment project “Forest Fire Response Management” [FFRM]. This project supports the Government in its forest fire prevention and management efforts. The Bank continues a longstanding and comprehensive engagement with Russia on forest management, where efforts have centred on policy development, institutional strengthening, information and land-use planning systems, and strengthened regional forest inventory and pest protection organizations. The most recent update on the [FFRM] project is provided in a document titled ‘World Bank Group – Russian Federation Partnership: Country Program Snapshot’, of October 2015.

⁴²⁰ Link: <http://www.enpi-fleg.org/news/round-table-in-arkhangelsk-will-discuss-the-enforcement-outcomes-of-the-eu-timber-regulation/>

⁴²¹ Link: <http://www.enpi-fleg.org/news/illegal-logging-in-russia-knowledge-of-its-scale-is-of-vital-importance-for-effective-decision-making/>

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Annex 3 FLEGT Timeline

	FLEGT activity EU/EC level	FLEGT-relevant activity Russian Federation (RF) and regional / international
2003	Action Plan published (May 2003) and approved	
2004		European Neighbourhood Policy (ENP) developed.
2005	Council regulation 2173/2005 adopted	Creation of the ' common spaces ' for cooperation between EU and Russia; including the environment common space under which the EU-Russia Environmental Dialogue took place. Europe and North Asia (ENA) FLEG Ministerial Conference, St. Petersburg, Russia, November 2005 (2005 ENA-FLEG St. Petersburg Conference). Adoption of the Declaration of St. Petersburg (2005 St. Petersburg Declaration). Development and adoption of the interagency national Action Plan to prevent illegal logging and illegal turnover of timber in Russia.
2006		Launch of the EU-Russia Environmental Dialogue , and first PPC (Permanent Partnership Council) on Environment held in Helsinki in October 2006. Introduction of new Forest Code of 2006 in Russia (enforced in 2007).
2007		1 st meeting of the Expert Sub-group on Forest Law Enforcement, Management and Conservation (FLEMC) under the EU-Russia Environmental Dialogue , 21 June 2007, Moscow. Adoption of new Forest Code . European Neighbourhood and Partnership Instrument (ENPI) operational.
2008		First ENPI FLEG Programme (2008-2012) launched.
2009		First FSC campaign , launched by FSC Russia in collaboration with WWF Russia and several other partners.
2010		Priority action planned for the development of joint actions to combat illegal and unsustainable logging of timber, in particular through a voluntary timber certification scheme [i.e. VPA], in a Summit held in Rostov in June 2010. Plan to prevent illegal logging and turnover of timber in the RF for 2010-2011 adopted.
2011		Ministerial Conference on the Protection of Forests in Europe (FOREST EUROPE) held in Oslo in 2011, and Intergovernmental Negotiating Committee (INC) created to develop a legally binding agreement on forests in the pan-European region. ENP revised. Interagency commission on prevention of illegal logging and turnover of timber in RF created. Plan to prevent illegal logging and turnover of timber in the RF for 2011-2013 adopted.
2012		Second phase of ENPI East Countries FLEG Programme (2012-2016) - ENPI FLEG II Programme . Second FSC campaign .
2013	EUTR coming into force (March 2013)	Adoption of the new Russian Forest Policy (to 2030) in September 2013. 7 th (and so far last) meeting of the Expert Sub-group on Forest Law Enforcement, Management and Conservation (FLEMC) under the EU-Russia Environmental Dialogue , Oct. 2013, Moscow. Adoption of the ' Russian Roundwood Act ' (Federal Law of the RF of December 28, 2013 N 415-FZ) "On amendments to the Forest Code of the RF and the RF Code of Administrative Infractions". Implementation steps: July 1, 2014 - Transportation certificates for roundwood introduced; Jan. 1, 2015 - Individual log marking for all deciduous tree species for export purposes introduced.
2014		State Programme for Development of Forestry (2014-2020)

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		<p>Law on Illegal Procurement of Timber (Federal Law No. 277-FZ, of 21 July 2014)</p> <p>EUTR Survey. Survey on readiness of Russian suppliers to comply with the requirements of the EU Timber Regulation (October 13 - December 3, 2014; results published in May 2015).</p>
2015	FLEGT AP Evaluation EUTR Review	<p>New “EGAIS” - State Unified Automated Information System for wood reporting (electronic timber tracking system) being developed and implemented in RF (under the Roundwood Act).</p>
		<p>Russian Roundwood Act - Implementation steps: Jan. 1, 2016 - Obligation to declare all transactions involving round wood online in EGAIS enforceable.</p>

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1. Situation of the country with regard to FLEGT

Japan is a major consumer of wood-based products, together with China, the EU and the USA. It imported around 70 million m³ of wood-based products in 2013 (figure 1). In all product categories, Japan's imports have been decreasing in recent years, but in 2010 the country was still the largest importer of wood chips and plywood in the world, the second-largest importer of logs and the third-largest importer of lumber.

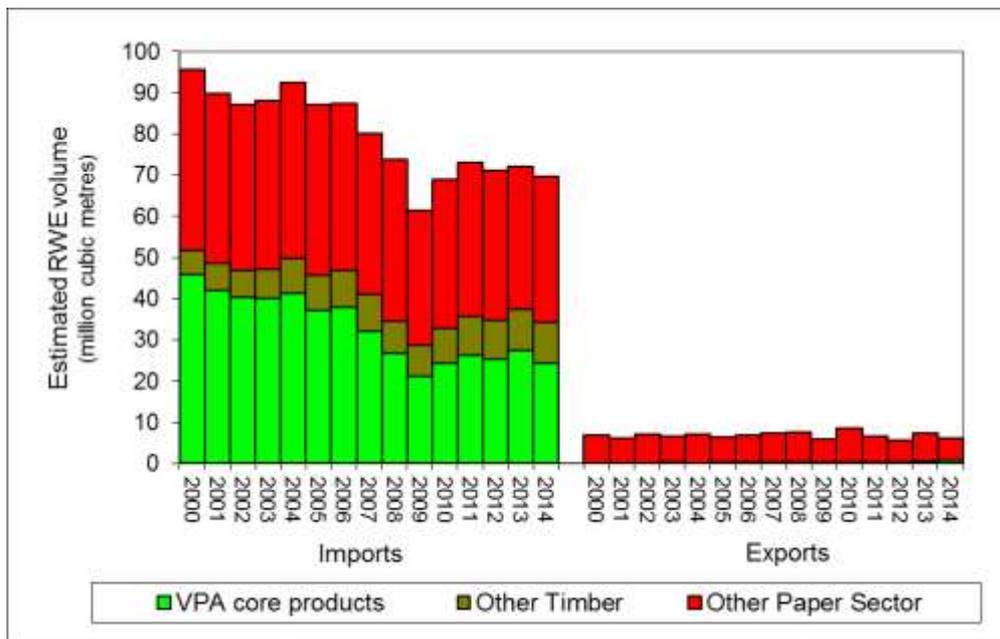


Figure 1 Japan's trade in wood-based products

Japan's heavy reliance on imported wood-based products must be seen in a historical context; after the depletion of Japan's forest resources during the Second World War, extensive replanting was carried out. The liberalization of log imports and the growing value of the Japanese currency led to the development of domestic timber industries that relied heavily on imported timber. In the mid-1990s, imports accounted for approximately 80 per cent of timber consumption in Japan.

Against this background, the government is aiming to increase the domestic supply of timber to 50% of total consumption by 2020 and has taken a series of measures to promote the domestic forest industry. However, Japanese forestry faces many challenges. For example, much of the forest grows on steep hills, which makes it more costly to harvest and therefore less competitive in terms of price.

In 2006, Japan required the government to verify the legality of timber imports used in public works; wood and wood products for government procurement that have confirmed 'legality' of harvesting (of the timber of which they are composed) and 'sustainability' of the management of the forest from which they originated, would be favoured. This policy was considered to be a first step towards securing a minimum level of legality and sustainability, and 'necessary amendment would be added as occasion demands'⁴²². Subsequently, however, only voluntary standards were applied to private companies, and Japanese industries (such as the Japan Federation of Wood industry Association and related timber industry organizations) decided on a number of actions to supply the legal wood and wood products which would address the issue of illegal logging.

The 2010 Chatham House study estimated that per capita consumption of potentially illegal wood-based products in Japan exceeded that of the other four 'consumer' countries assessed in the study

⁴²² <http://goho-wood.jp/world/outline/policy.html>

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(U.S.A., U.K., France and the Netherlands). It estimated that approximately 9% of all wood-based products imported into Japan in 2008 were at high risk of illegality. Moreover, Japan scored lowest with regard to the legislative measures taken to tackle the problem of illegal logging. At the time of the 2010 study, Japan had no formal regulation on controlling imports of illegal wood-based products.

Since then, the government has implemented various measures, albeit soft ones. Until 2014, there had been no significant progress on developing formal legislation to eliminate illegal wood-based products from its market. But in July 2015, The Japanese government's forest policy committee announced illegal logging legislation to strengthen Japanese illegal logging policy, which is expected to be enacted by the end of 2015. According to some sources, the Tokyo Olympics in 2020, proposed to be 'the greenest ever', helps to support this ambition. The new bill would require private companies, in particular importers, to investigate the legality of timber, in order to prevent timber illegally harvested abroad from being imported into Japan. According to the Forestry Agency, 70% of total Japanese domestic wood supply is from overseas and, according to a private sector estimate, 'illegal logging accounts for about 10% of the foreign supply.'⁴²³

From an EU perspective, the issue of introducing stronger measures to combat illegal logging has been raised in bilateral environment dialogues, as well as in discussions at Director and Head of Unit level on the occasion of visits to Tokyo. DG Environment regularly attends and coordinates EU positions at the ITTO Annual Council meetings and, since ITTO is based in Japan, these meetings in Japan also offer an opportunity for informal contacts with relevant Japanese officials. The EU FLEGT Facility regional office in Asia in support of the EU Delegation contributed and continues to contribute to various international FLEGT and EUTR related events in Japan, including meetings with parliamentarians. They developed a network of contacts in Japan covering NGO's, private sector, Government agencies, research institutes and EU Member states embassies. In 2014 the Japanese Forestry Agency did a thorough EUTR study tour to a number of European Member States, and a Japanese Delegation including two Members of Parliament, came to the EU to better understand the EU policy on combatting illegal logging with a specific focus on the EU Timber Regulation and to hear about the state of play of the VPA negotiations with Malaysia, for which Japan is the largest customer.

2. Main Observations

On EQ1 (relevance):

- There are several reasons why Japan is relevant in the context of FLEGT. First, together with the USA, China and the EU, Japan is among the world's four largest timber consumers. Figure 2 below, illustrates the position of Japan in the global statistics of timber and paper imports, in terms of volume and value. It suggests that Japan, in 2014, imports similar amounts of timber as the entire EU-28 and around half of the amount of paper imported by the EU-28. Logs account for around 10% of Japan's imports of wood-based products and woodchips and pulp (in RWE volume) for 57%. The main source countries are USA, Canada, China, Malaysia (Sarawak), Indonesia and Russia.

⁴²³ The Manichi (a Japanese newspaper) , July 3 2015 (unofficial translation)

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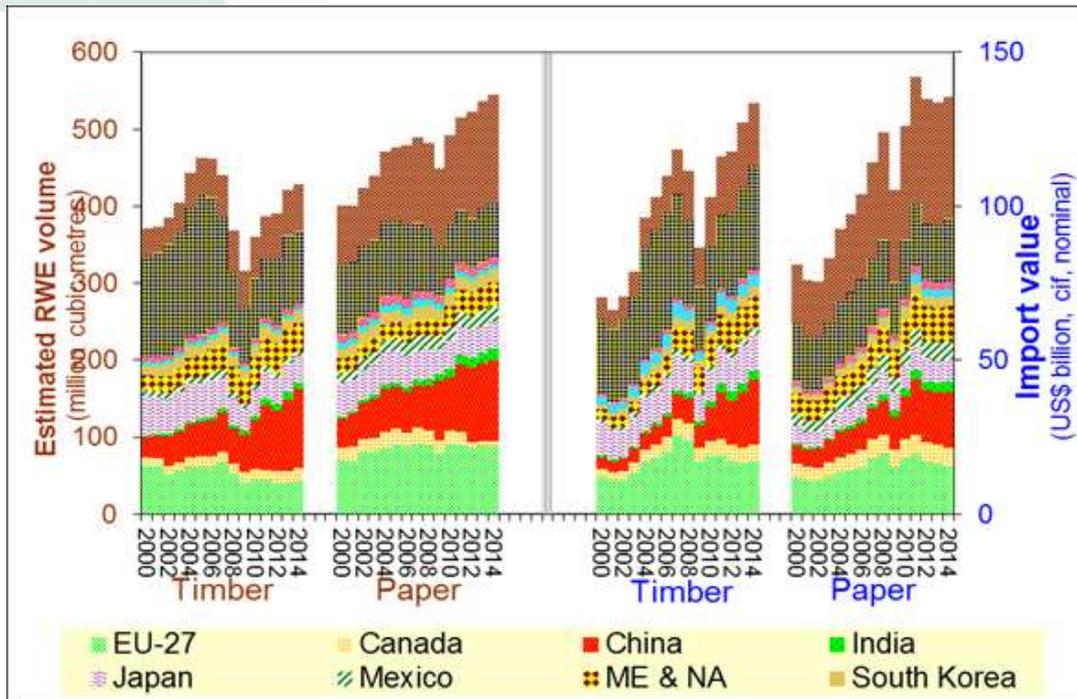


Figure 2. Import data for main timber and paper importing countries globally (EU and other countries in alphabetical order)

Source: data compiled by James Hewitt (FLEGT evaluation team) based on trade statistics of UN Comtrade

- Secondly, since in Europe, the United States and Australia, private companies are obliged by law to verify legality, there is a common view that "*to avoid the strict regulations of the West, illegal timber is flowing into Japan*", which would undermine the effectiveness of the measures of the FLEGT AP.

On EQ3 (effectiveness)

AA2 (trade in timber)

Effectiveness of the Japanese government's response to illegal logging was assessed as part of the Chatham House Assessment in 2014, based on the assessment framework applied to all consumer countries studied. It was found that Japan had initially been very active in facilitating consumer-country responses to the problem of illegal logging, which was recognized at the G8 level from 1998 onwards; but its efforts reportedly slowed down after the mid-2000s and are now lagging behind those of other major consumer countries. The 2010 Chatham House report noted that Japan scored poorly in general, compared with the other consumer countries included in that study. In particular, its *public procurement policy*, the only legislation that regulates imports of illegal wood-based products, was considered to have significant design weaknesses.

Until recently (2014), there had been limited progress. In terms of high-level policy processes, several reviews were carried out to map the problems and challenges, including the implementation of the *Goho system* (refer AA4 on private sector initiatives below), but they did not result in any new policies or legislation. At the same time, the Japanese Forestry Agency had developed an internal action plan aimed at (1) promoting green procurement by public institutions, including local government; 2) promoting legally verified wood-based products among the private sector and consumers; and 3) improved credibility and transparency of the legality verification system. When the LDP regained control of government, in 2012, the Committee on Studying Forestry – which used to have specialized team on illegal logging – was revived, partly in response to requests by

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environmental NGOs. The party called for strengthening action to prevent illegal logging and this has resulted in the announcement, in July 2015, of illegal logging legislation to strengthen the Japanese illegal logging policy.

Interestingly, the draft legislation seems to be based on the EUTR. In the course of 2013-2014, there were two study visits to EU by Japanese officials (Parliamentarians and FA official) to look at EUTR / FLEGT, and some EUTR concepts can be found in the proposed legislation. Main elements of the proposed legislation are:

1. It will be mandatory for importers to exercise due diligence of timber origin and harvest information.
2. No financial penalty, but penalty by public identification of company name if insufficient implementation of due diligence.

The introduction of such legislation in Japan is generally considered to be a big step forward and a stimulus for similar developments in the region and for demand for FLEGT licensed timber. In this context, it is worthwhile mentioning that South Korea, for example, is reportedly developing legislation on illegal timber trade and would be in close contact with Japan concerning the development of its own due diligence legislation based, in part, on the EUTR. **Annex 1** gives some further information on the recent developments in South Korea, which is the world's second largest importer of tropical plywood and veneer and is among the ten main importers of tropical logs and sawn timber.

It remains to be seen how robust the contents will be and if the legislation is able to close the existing loopholes which allow illegally logged timber to enter the Japanese market. From this point of view, it seems useful **for the EU to politically and technically support** the move towards the proposed legislation, as it would give a boost to achievement of objectives of the FLEGT Action Plan

Another important element concerning trade in timber is was the signing, in August 2011, of a Memorandum of Understanding with China on illegal logging and related trade and sustainable forest management. In this MoU, the two countries agreed to develop a legality verification system for wood-based products traded between them. The Japanese Forestry Agency announced that an action plan would be developed and implemented, possibly referring to the proposal of July 2015. Also, between 2000 and 2010, Japan signed bilateral agreements with Indonesia and Malaysia. The agreement with Indonesia, signed in 2003, consisted of a joint announcement and action plan on 'cooperation in combating illegal logging'. The 'Agreement between Malaysia and Japan for an Economic Partnership', signed in 2005, was above all an economic agreement, but it included a joint statement on 'Sustainable Forest Management and Trade in Legally Obtained Timber' in an appendix.

AA4 (Public Procurement Policies)

For the time being, the only legislation regulating imports of illegal timber is the public procurement law. Government procurement, however, accounts for only five per cent of Japan's total consumption of wood-based products. Japan's public procurement policy was established in 2006, when it became a legal requirement to supply only *Goho* (=legal) wood products under public procurement contracts. Sustainability certification of wood-based products is preferred but not a requirement, and no certification system is formally endorsed in the policy. The responsible agency for the *Green Purchasing Law* is the Ministry of the Environment, and annual reports are submitted by central government agencies; however, no audit is conducted. Implementation of the Green Purchasing Law by the central government agencies is reported to be above 90 per cent (92.8 per cent in 2011) but these figures refer to all product categories covered by the law, not just wood-based products.

The Green Purchasing Law is considered to have a number of weaknesses. First, is designed to promote the use of more environmentally friendly products in general rather than restricting illegal

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wood-based products in particular, and the priority given to illegal logging issues is very low. Second, there are no penalties for non-compliance. If suppliers fail to follow the stipulated process, they are merely required to disclose records of their supply chain. Third, the law applies only to central government agencies and central ‘independent administrative agencies’ that implement public projects. Regional agencies are required only ‘to make efforts’ to apply the law. Given that regional governments carry out three times as many economic activities as central government agencies, this seems inadequate. Lastly, the scope of products covered by the law is limited. Besides materials for public construction, paper, stationery, office furniture, fixtures and bedding are covered. The law used to exempt formwork (e.g., plywood for concrete moulding), among other construction materials, but formwork was included since the GPL revised and approved the law on 3 Feb 2015⁴²⁴.

Although there has been no change to the procurement policy itself, a new law was introduced in 2010 to promote the use of *Goho*-wood as part of the government’s overall efforts to develop domestic forestry. The Law on the Promotion of the Use of Wood in Public Buildings, enacted in 2010, not only **encourages the use of wood as a construction material for public buildings**; it also requires that the wood used for this purpose be *Goho*-wood. The implementation of this law has indeed resulted in an increased use of *Goho*-wood (refer AA4, below).

AA4 (Private sector initiatives)

The private sector is ‘encouraged’ to use the aforementioned *goho*-wood system and there has been a fair degree of private-sector response to this call. The Japanese Forestry Agency’s ‘*Guideline for Verification on Legality and Sustainability of Wood and Wood Products*’, issued in 2006 is a specific supporting measure targeting the private sector, providing suppliers of wood and wood products with some guidance in case they verify legality and sustainability of their supply, on a voluntary basis.

While there has been some success in encouraging companies to register with the *goho*-wood system⁴²⁵, there are some design flaws in the system weakening its effectiveness; First, the system is not legally binding, and 95% of the trade within Japan is not subject to the legality requirements. Second, the *goho*-wood system allows for a degree of traceability through domestic supply chains, but it focuses more on chain-of-custody (CoC) rather than verification of the products themselves. Verification at the first placing on the market is weak. Furthermore, the system is fundamentally document-based and requires no risk assessment or mitigation, nor is there any independent monitoring.

According to an NGO survey published in 2010, Japanese companies are well aware of the weaknesses in the *goho*-wood system; 11% of companies interviewed regarded the system as inadequate in ensuring the legality of wood-based products. In addition, concerns were raised about the lack of consumer interest in *goho*-wood owing to the fact that the system is not legally binding; this means that it is difficult for companies to justify the effort and costs associated with obtaining the necessary documents. It would help industry to tackle the issue of illegal logging if a clearer set of guidelines on legality verification were introduced, along with requirements for risk assessment and mitigation – similar to those stipulated in US, EU and Australian laws concerning timber imports.

Forest certification is generally considered to be a good tool to avoid illegal wood-based products and promote domestic products, and is one of the ways to conform to the *goho* system. Still, the number of companies with FSC CoC certification remains low, compared to those in other consumer countries; far more adhere to the *goho*-wood system, which is considered to be ‘less costly and more efficient’. Moreover, in Japan there is less market demand for certified sustainable products in general.

On EQ4 (implementation, management and coordination):

⁴²⁴ <http://www.rinya.maff.go.jp/j/press/mokusan/150203.html>

⁴²⁵ The number of *goho*-wood businesses has risen from 4,906 in 2006 to 11,122 as of March 2014.

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While Japan is not directly targeted by FLEGT Action, there have been an important number of FLEGT-related activities undertaken with regard to Japan, over the past six or so years, in particular lead by the EU FLEGT Facility office in Asia . The latter has assisted the EU by facilitating FLEGT dialogues in some major timber trading and consuming countries such as China and India, but also South-Korea (refer **Annex 1**), Japan, Australia and New Zealand.

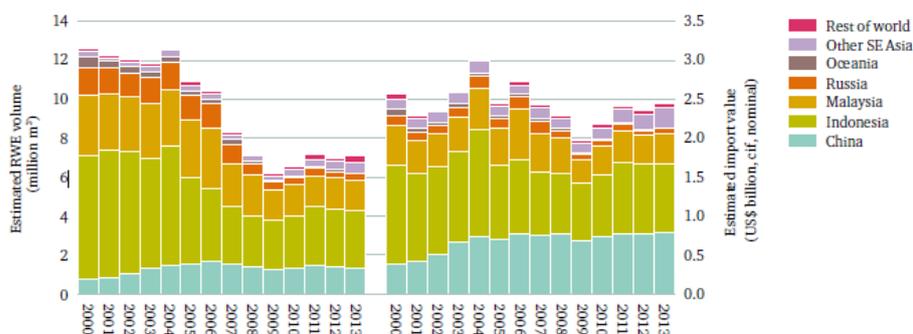
Japanese officials have also been invited to speak at FLEGT events, such as the Regional workshop on capacity building needs to support FLEGT in Asia (Thailand, 2013) which provided an opportunity for government, civil society and private sector representatives to learn about international timber market requirements and the available forest governance support programmes in the region. Inclusion of Japan in various FLEGT events and activities is likely to have contributed to the recent positive developments. This was also noted during the FLEGT week 2015⁴²⁶, where it was argued that the FLEGT Action Plan had influenced initiatives in the United States, Australia and Japan.

On EQ4 (achievement of FLEGT objectives):

The Chatham House study (2014) points to a relatively high level of consumption (for a rich consumer country) of likely illegal (high-risk) wood-based products per million people; however, that level had been declining between 2003 and 2013, from 22% to 12% approximately (by RWE volume), for the timber sector. The assessment suggests that the decline has now levelled off, with high-risk imports into Japan remaining more or less constant from 2010 to 2013. However, the risk of importing illegal paper-sector products increased over the same period, from 5% to 7%.

One of the main suppliers of high-risk products is Indonesia. During the early years 2000, more than half of Japan’s imports of such products (by RWE volume) are thought to have come from that country. But by 2013, this proportion was estimated to have dropped to about 40% as a result of improved forest governance in Indonesia. China is another main supplier of high-risk wood-based products. It is estimated that in 2013, it accounted for one-fifth of Japan’s imports of likely illegal wood-based products by RWE volume and about one-third by import value. This partly reflects the increase in imports from China, which today is Japan’s main supplier of wood-based products.

Malaysia is thought to be another significant supplier of high-risk products into Japan – an estimated 20% of the total by RWE volume in 2013. The bulk is accounted for by plywood, most of which comes from Sarawak. Another country that exports significant volumes of high-risk products to Japan is Russia. The main such products are logs, sawn wood and veneer. In addition, large volumes of Russian timber are imported via China as processed products. Below figure illustrates main sources for imports of wood-based products at high risk of illegality into Japan.



Source: Based on official trade statistics (Trade Statistics of Japan) and analysis by Chatham House.

Figure 3 Estimates of

imports of wood-based products at high risk of illegality by source country or region

3. Main Conclusions and Recommendations

⁴²⁶ Penny Davies, in her presentation providing an overview of global forest policy in a changing climate.

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Conclusion

After the US, China and the EU, Japan is the world's fourth largest timber importer, with a relatively high level of consumption (for a rich consumer country) of likely illegal wood-based products. As such, it is important for any global action on illegal logging to count with Japan's cooperation. The Government of Japan included wood products in its public procurement policy, and the Forestry Agency developed the *goho*-wood system to promote legally produced wood and wood products, as well as a guideline to check legality of wood products. Associations for wood, wood products or timber importers are by and large following the guideline for *goho* wood.

Still, Japan's interest in addressing illegal logging has remained relatively low, focusing on voluntary measures, including the *goho*-wood system, rather than binding legislation. Environmental NGOs have been promoting FSC certified wood and also "Fair wood". And while it is unlikely that the EU FLEGT action plan has directly affected trade, law enforcement or forest governance in Japan, some companies dealing wood in products appear to be afraid of the EUTR because it is unclear to what extent those companies could possibly be punished.

Since 2013, concerns about illegal timber appear to be increasing, as the announcement in July 2015, of illegal logging legislation to strengthen the Japanese illegal logging policy suggests. Such legislation would require private companies, in particular importers, to investigate the legality of timber, in order to prevent timber illegally harvested abroad from being imported into Japan. It is expected to be enacted by the end of 2015. This legislation is in part based on the EUTR, and FLEGT action (political dialogue and exchanges at technical level facilitated by the EU FLEGT Facility in Asia in the course of the past six years has at least partly contributed to this important achievement.

Still, closer collaboration of the EU with major timber consuming countries, including China, Japan and South Korea, is required to reduce trade in illegal timber more effectively at the global level. Partnership, mutual understanding and continuous efforts are, in the view of some Japanese resource persons, key for lasting change. It may also be kept in mind that Japan is an influential player in the region, with direct linkages to other major consumer countries such as South Korea and China and VPA countries like Malaysia (Sarawak) and Indonesia.

Recommendation: For the EU to continue its political dialogue with Japan (among other major consumer countries) in support of adoption of binding illegal logging legislation, and strengthen its technical cooperation with Japan in support of:

- (1) implementation of such legislation (including exchange of experience and relevant data) and***
- (2) actions in producer countries, including development and improvement of verification systems.***

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Annex 1: FLEGT-related information on South-Korea

Background

South Korea is the world's second largest importer of tropical plywood and veneer, and is also among the 10 principal importers of tropical logs and sawn timber. Korea is among the principal destinations for timber exports from many of the countries that are most badly affected by illegal logging (Russian Far East, Indonesia, Papua New Guinea and Sarawak in Malaysia). South Korea has the highest per capita estimated consumption of illegal wood among the 10 consumer and processing countries studied so far; and is the fifth largest importer of illegal wood, after China, the United States, Japan and the EU. Korea's high per capita illegal wood consumption is due to the fact that it imports large volumes of high-risk tropical wood from Southeast Asia, as well as high-risk non-tropical wood from the Russian Far East, and because, unlike its East Asian neighbours Japan and China, the influence of these twin imports is not lessened by substantial low-risk domestic production. The largest current sources of estimated illegal wood are pulp from Indonesia and plywood from China. Other important sources include paper from China, plywood from Sarawak (Malaysia), chips and plywood from Vietnam, sawn wood and pulp from Russia, and plywood from Indonesia.

The situations in Korea and Japan are similar with regard to dependencies on imports. In Japan, the legislation development is driven by parliament. In Korea it seems the civil service is driving the need for legislation. Korea has legislation since 2012 banning illegal logged timber from its domestic market without being specific what this means or how this is done.

Recent developments

In early August, a delegation of four Koreans, representing the Korea Forest Service (KFS), the Korea Forestry Promotion Institute, and the Korea Forest Research Institute visited the US at the invitation of the State Department and the Department of Justice to learn about the US illegal logging legislation experiences. The delegation represents the Task Force Team that would be leading the charge on legislation development, and would report to the ministry leaders.

Korea is serious about moving forward on a law, and it seems this study tour gave them some good momentum, but they reported having a lot of work ahead. The task force plans to talk regularly throughout the year and have something solid to present to the Minister by end of 2015/early 2016. Given this Korean ambition, *sharing experiences from the EUTR* and other external support might help them to build on the experiences in other countries with legislation. The Koreans are probably in *close contact with the Japanese colleagues who are developing their own due diligence legislation based on the EUTR.*

Challenges and questions brought up included:

- About 83% of Korea's wood demand is met by imports. This is one of the biggest differences they see between Korea versus US/EU and the delegation considers it a major challenge. They do not have much of a domestic forest industry so they really depend on wood and timber products from other countries. China is a major supplier. They ask how Korean importers would be able to track the wood origin and legality through a black box like China?
- *Due care/Due Diligence is not a familiar concept* in Korea. The delegation sees it as an important element to include in their legislation, but it won't be easy to explain such an approach in Korea. The Korean industry is going to want a checklist to know exactly what steps they need to take to "be legal" or exercise DD.
- The Korean Delegation was curious to learn about how FSC and 3rd party certification is viewed by Lacey. They were told the official Lacey response that FSC does not equal automatic legality, but the industry reps also told them that the USG perceives legitimate FSC as lower risk, and is considered a good option as part of due care.

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- The Korean Delegation is thinking about how to deal with trickier products where it's hard to identify origin, like plywood/MDF and recycled products. They don't want there to be loopholes, so they're interested in learning about how other countries are dealing with it.
- The Korean Delegation expressed interest in Australia's approach of drafting country guidelines. They were cautioned though to be very careful with such an approach, because you want industry to maintain a sense of responsibility, rather than weaken the law to a point where potentially fraudulent paperwork is taken at face value.
- Funding is an issue, and the delegation asked about what resources are needed to implement such a law? What is the most efficient way to operate such a system? This came up a couple times and was discussed in the EIA mtg. where it was explained that it's taken until now for Congress to finally allocate sufficient funds for Lacey, particularly to APHIS, and more \$\$ would be better.
- They also noted that there is not an active NGO presence in Korea.
- As anywhere, the debate about impacts on business is going to be a critical issue.

EU engagement:

From an EU perspective, there is no environmental dialogue with Korea but DG TRADE is involved in a dialogue on sustainable development and trade under the EU-Korea FTA. During a recent bilateral meeting with the Committee on Trade and Sustainable Development (December 2014) an update was provided on the EU FLEGT AP and the EU Timber Regulation, pointing to the reviews of both, and the EU's interest in bilateral co-operation and in sharing experiences was expressed. Korea (Forest Service) is currently drafting legislation to ensure that the timber placed on the market is legal. The Forest Service is also involved in APEC initiatives to combat illegal logging/trade.

In 2012, the EU Delegation to Korea, together with the US State Department, the Australian Embassy, and with technical support from the FLEGT Facility and Forest Trends, organised an event at the Seoul National University that helped the formulation of the legislation banning illegally logged timber from the Korean market. The organisation of similar events may be considered for the future.

Sources used:

1. Chatham House Report (2014)
2. Feedback received from US contacts, through Vincent van den Berk, FLEGT Facility – Asia.
3. Interview with EU officials (DG-ENV)

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Annex 2 Key resource persons:

NOTE 1: Information in this Aide Memoire is based on several public and EFI internal documents related to FLEGT action in or affecting Japan. The main source of information is the report *Trade in Illegal Timber; the Response in Japan - A Chatham House Assessment*, by Mari Momii, published in November 2014 by the Chatham House with UK Aid funding, which is based on a broad stakeholder assessment. It is complemented by email exchanges and teleconferences with key resource persons.

An attempt was made to get in touch with the following organisations: Forestry Agency, Ministry of Foreign Affairs, the Timber Import Association, the Plywood Association, the Paper Association, Friends of the Earth Japan, and WWF Japan.

Of these, only Dr. Takeshi Toma, attached to the Forestry and Forest Products Research Institute and a former FLEGT-Asia-Regional Advisory Group member, responded positively.

Shizuka Yasui: EU FLEGT Asia consultant 2012 – 2013, presently FSC Asia Pacific.

NOTE 2: The additional information on Korea was received through Vincent van den Berk of the EU FLEGT Facility.

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Situation of the country with regard to FLEGT

India was selected as one of the timber consumer countries to be assessed in more detail primarily as it is expected to be (one of) the **major future importer(s)**. One source projects a demand for timber by 2020 at an estimated 153 mln m3 (against a current -2014- EU demand of 140 mln m3). Of this demand, only around 40% would be met from domestic supply. Irrespective of such figures, India is expected to become one of the world's largest importers of timber in the coming two decades. Imports from the ASEAN region are significant, and India is also an important destination for wood product exports from countries where deforestation is high or which are badly affected by illegal logging. Consequently, it is considered to be an important importer of illegally sourced timber and wood products. Some of these source countries are in the process of negotiating or implementing a VPA and developing TLAS systems.

According to an EFI study⁴²⁷ and stakeholder consultations by Indufor⁴²⁸, an estimated volume of 25 – 32 million m3 per year of unrecorded timber, sometimes mixed with legal timber, enter the **domestic supply chain** each year. The contributing factors cited are (1) Inadequate forest law enforcement; (2) Poor knowledge of tree growers on timber legality, and (3) Absence of national systems for recording legal timber production data. Illegality is alive and well in tribal lands and remote areas, often against the will of the local people.

Chatham House, in 2014, published a paper⁴²⁹ presenting an assessment of levels of import and re-export of illegal timber in India, among other countries, and the response from government and the private sector. It found that about **17% of imports to India are estimated to be of illegal origin**. Although per capita illegal wood consumption is low, the country's size means that it is nevertheless a major importer of illegal wood, and the consumption of illegal wood is reportedly rising very rapidly.

According to several sources, to date, there has been **little recognition** of this problem and the government's response has been weak; the extent of the problem has not been examined nor has any action plan or policies to address it been developed. Authorities seem to pay more attention to domestic illegal logging and associated exports, even though much more illegal timber is imported than exploited locally. At the same time, many initiatives are undertaken in the context of sustainable development or climate change, to which FLEGT action could possibly be linked.

From a regional perspective, India is by far the biggest producer and exporter of timber products in the SAARC⁴³⁰ region. There are reportedly **important flows of illegal/unrecorded timber in the region** (from Nepal and Myanmar to India, and from India to Bangladesh, inter alia), due to lax law enforcement in the border areas, 'porous borders' and community relationships across borders. The regional institutional mechanisms, such as the South Asian Free Trade Area (SAFTA) Agreement, have no provisions requiring showing legality of origin of timber and timber products during export and import. In terms of bilateral trade agreements, only India's agreement with Nepal has cooperation provisions for controlling illegal timber trade, but effective implementation has reportedly been missing so far.

⁴²⁷ EFI/EU FLEGT Facility, 2014. India: potential to support global market for legally sourced timber products.

⁴²⁸ S.K.Barua, Dhananjay Kumar, June 2015. SAARC Area Cross-border Timber Trade, Regional Institutional Mechanisms and Trade Link with Myanmar.

⁴²⁹ Lawson (Chatham House), April 2014. Illegal Wood Import and Re-export: The Scale of the Problem and the Response in Thailand, South Korea and India.

⁴³⁰ The South Asian Association for Regional Cooperation (SAARC), formed in December 1985, includes Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka

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The **EU is the largest export market** for wood products; India's exports to the EU primarily comprise furniture and, to a lesser extent, ornaments (predominantly of wood from trees which grew in India). Presently, India is not considering the negotiation of a VPA and there is no formal dialogue on FLEGT. However, there have been a number of FLEGT studies and activities (refer Annex 2) and the EU Delegation has reportedly started meeting with environmental counsellors of all EU Member States to discuss FLEGT. One reason is that India is an important timber trade partner of Myanmar, a FLEGT-VPA country⁴³¹. However, there appears to be **little ambition to actively promote FLEGT** in India or, for that matter, in the South Asia region (India, Nepal, Bhutan and Bangladesh) or with the South Asian Association for Regional Cooperation (SAARC). One of the likely reasons is that the timber trade of SAARC countries with Europe is still rather modest and, consequently, the EU trade leverage on the region is limited. On the other hand, civil society organisations are relatively strong and could be effective partners in improving forest governance. Meanwhile, current efforts concentrate on a SAARC study on cross-border timber trade (re. footnote 2) and mapping of regional institutions.

It is worth mentioning that India is also the world's largest consumer of palm oil, of which it is only a marginal producer. Much of India's palm oil demand is met by imports, 95% of which are from Malaysia and Indonesia (Greenpeace 2012). As the largest importer, India can play a fundamental role in influencing a shift towards sustainable palm oil production.

Main Observations

On EQ1 (relevance):

- There are several reasons why FLEGT is relevant for India and vice versa. First, some sources expect India to become one of the **world's largest importers** of timber; total consumption is projected to rise from 123 million cubic metres in 2015 to 153 million cubic metres in 2020⁴³². For the time being, however, China (in orange) imports a much greater roundwood equivalent volume of timber sector products than India (in dotted green) and the gap is widening (see below chart).

⁴³¹ In 2012, under HS Code 44, 58% of Myanmar's exports went to India, 26% of India's imports in terms of volume came from Myanmar (Dr. T R Manoharan)

⁴³² Table 21 in "India Forestry Outlook Study" Ministry of Environment and Forests (Government of India) for FAO (2009). <http://www.fao.org/docrep/014/am251e/am251e00.pdf>

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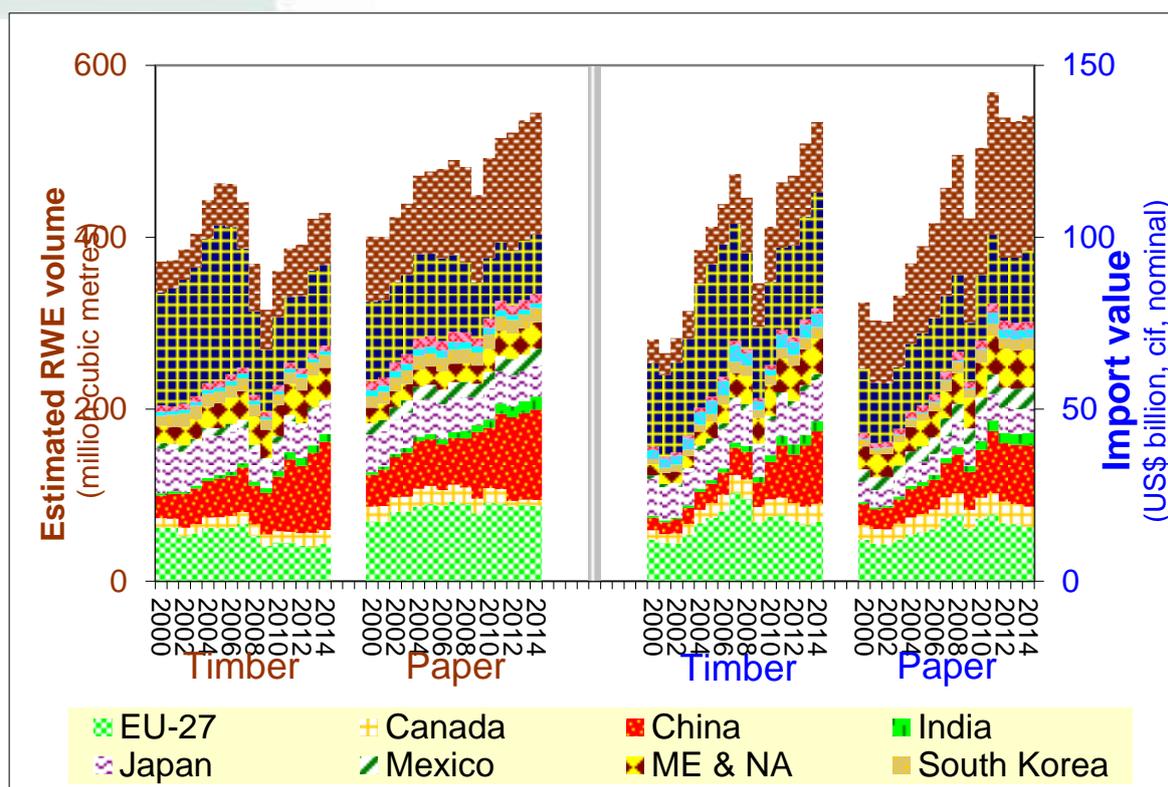


Figure 1. Import data for main timber and paper importing countries globally (EU and other countries in alphabetical order)

Source: data compiled by James Hewitt (FLEGT evaluation team) based on trade statistics of UN Comtrade

- However, India is already the second largest importer of tropical logs in the world: around 30% of all tropical logs in trade at any one time are destined for India⁴³³. Also, India is one of the fastest growing paper markets in the world, with an annual turnover of US\$6 billion. Furthermore, the wooden handicrafts industry has high export potential and exports are increasing. This industry, which is dominated by small and medium enterprises, makes an important contribution to economic development and provides employment to millions of artisans and woodworkers. At the same time, India is actively encouraging investment in the manufacturing industries, including wood products, and the export of timber products. Finally, the EU is one of the biggest investors in India, and the potential for the EU to increase trade and investment in India is substantial. These are among the reasons why India is an important country, from a FLEGT perspective.
- Although India, in the context of this evaluation, was selected for its role as an end consumer of timber, the country does **export substantial volumes** of wood products (see figure 2, below). The EU constitutes a major market for India's semi-processed and value-added timber products, including carved wooden handicrafts, pulp and paper, plywood and veneer, and wooden furniture. According to Lawson (2014), around 13% of its wood product exports were destined for the EU; other major destinations include the United States and the Middle East. According to the EFI back-to-office report (2014), about 40% of exports from India are destined for Europe. In any case, it is clear that the EUTR will have an effect on Indian exports and it seems essential that the EUTR is properly understood.
- Furthermore, India transforms timber coming from Malaysia (predominantly from Sarawak), Indonesia, Myanmar, PNG, Solomon Islands, Congo Basin, among other countries/regions,

⁴³³ ITTO (2011): Annual Review and Assessment 2011 (in Lawson S, 2014)

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for exports to Europe or other countries with import requirements. It is therefore important for India **to assess the legality of timber imports** from these source countries. This is reportedly already a concern for many exporters to European markets.

- At the same time, from an Indian importers' perspective, there does not seem to be much concern for ensuring legal timber imports or for sustainable forest management yet. The likely explanation is that **no system is in place to verify timber legality** and there is no access to reliable data.

On EQ3 (effectiveness)

AA1 (support to producer countries)

- There have been a number of FLEGT studies and activities in India. Annex 2 presents a **timeline** of the main FLEGT related events in India, over the past years. Current efforts funded under the FLEGT Action Plan concentrate on a SAARC study on cross-border timber trade (re. footnote 2) and mapping of regional institutions.
- Considering the importance of India's regional timber trade linkages, one of the questions is to what extent national level action in India should be supported by **actions at regional level**, notably but not necessarily in the context of the SAARC. Clearly, timber trade actions in one country in the region directly affect others; Myanmar's prohibition on exports of logs in 2014, for example, has had direct and strong effects on India. Reportedly, it has caused an immediate increase in imports from Nepal, Bhutan and Sri Lanka, thereby increasing the risk of deforestation and illegality in these countries. This would be an argument in favour of a regional approach.
- According to some, at the moment (2014-15) there is a certain **momentum and political will** as well as ideas on how to move FLEGT action forward within SAARC. The SAARC Forestry Centre (SFC) is mentioned as a potential partner for collaboration in any future FLEGT related activities, though currently it seems to suffer from under-resourcing (budgeting and staffing). At the same time, some express concerns that SAARC is still a relatively weak regional organisation and, unlike climate change for example, there is no specific area of cooperation regarding FLEGT; it would be considered a 'cross-cutting issue'. Considering the limited EU timber trade leverage, FLEGT might be best approached as part of wider environmental, climate change and sustainable development challenges.

AA2 (trade in timber)

- India's imports of tropical timber are almost all supplied from Sarawak since Myanmar has prohibited the export of logs in 2014. However, it does import some tropical timber from the Congo Basin and PNG. Almost all the logs and sawn wood it imports from other tropical countries is of teak grown on plantations. India's exports to the EU primarily comprise furniture and, to a lesser extent, ornaments (predominantly of wood from trees which grew in India).

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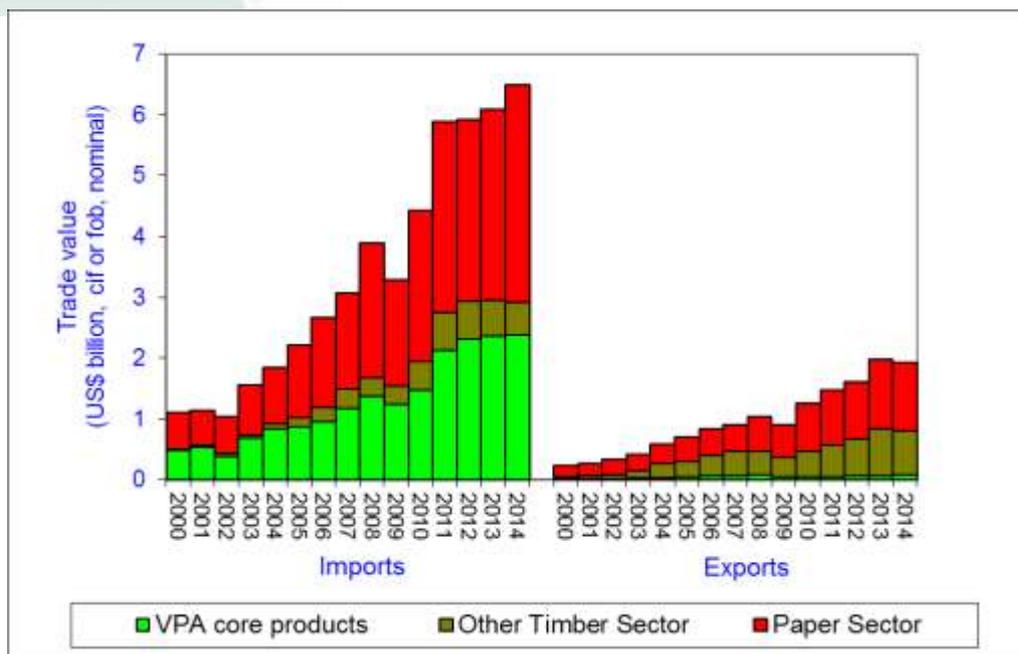


Figure 2. India's imports and exports data for timber (VPA core products and other timber) and paper
Source: data compiled by James Hewitt (FLEGT evaluation team) based on trade statistics of UN Comtrade

In 2012, taking into account items under HS Code 44, around USD3 billion of India's timber imports came from just **Myanmar and Malaysia**. Malaysian timber exports to India, in terms of value increased from USD 75.6 million (1995) to USD 644 million (2012). Indonesia exports mainly pulp to India, which appears to cause some controversy within Indonesia; some NGOs reportedly accuse India of contributing to Indonesia's deforestation.

- A paper prepared in 2013 entitled '*Effects of the EU Timber Regulation and the demand for certified legal timber on business and industry in India*' assesses the potential **impacts of the EUTR** and the growing demand for forest certification on India's timber products industry. It argues that for India, products listed under the EUTR have an annual export value of around US\$1.3 billion, and in 2012, six EU Member States accounted for more than 12% of this total value. Furthermore, India's exports of value-added timber and timber products to the EU and other markets are increasing, with these products manufactured from both domestically sourced and imported wood-based raw material.
- In this context, the EUTR was expected to induce changes in India's timber products industry in several ways. First, European companies operating in India would be encouraged to establish greater safeguards and improved due diligence systems. This would help clean up the supply chain and induce companies – both Indian and multinational corporations operating in India – to **strengthen their procurement policies** and invest more in research and development, technology, monitoring systems, legality and certification. The cost of compliance would be lower for businesses that are in multinational corporations' supply chains, to the benefit of farmers and primary processors.
- At the same time, Indian companies also would be more likely to adopt improved due diligence systems (e.g. forest certification) in a cost-efficient manner. The introduction of the EUTR would **encourage more forest certification** in India because the regulation incentivizes parties to shift towards credible forest certification⁴³⁴. In fact, the use of international forest

⁴³⁴ In the absence of VPAs, operators and traders use forest certification in due diligence systems, as a means to minimise the risk of trading in (products derived from) illegal timber at some point in the supply chain.

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certification systems in the Indian industry, particularly Forest Stewardship Council (FSC) certification, has increased 10-fold over the past five years (2008-2013) allegedly '*partly because of the response towards FLEGT among buyers in the EU*'.

- For its internal market, India has a **tracking system** that may be used in order to comply with the EUTR. It is generally considered to be a sound and enforced system, allowing timber in factories to be traced back to the origin. Since 1991, exporters are required to register their contract with CAPEXIL, which functions as a monitoring agency, ensuring that all documents and exports are true and genuine and in compliance with the minimum verification requirements, and finally allowing cargo to be exported.
- The Indian Ministry of Environment and Forests is establishing the Indian Forest Certification Council as a step towards developing a **national forest certification system**. In the meantime, to support trade and investment in the industry, the Indian government has sought to minimise the approvals and records needed to comply with legality and other requirements. Nevertheless, it is frequently difficult for the industry to gather the information and documentation for verification, monitoring and evaluation, particularly in the downstream supply chain and for farmers and small and medium enterprises at the primary processing level.

AA4 (Private sector initiatives)

- The response of the private sector has been slow, with limited interest in chain of custody certification. This could reflect the fact that there is little incentive for companies to act: most high-risk wood is consumed domestically and there has been little consumer concern and no government regulation. While the future demand for certified timber driven by export markets is set to grow, **certification cost** could be a crucial issue as small-scale private producers supply a major share of the domestic timber.
- India is currently involved with the ISO in developing new COC (chain of custody) certification. Also, the Ministry of Environment and Forest is thinking about founding a Forest Certification Council in order to come up with a framework. FSC certificates (0,5 million ha in India) are used by paper manufacturing companies. For this reason, it would be important **to harmonize regulatory and certification systems**, and to consider who would bear the cost of compliance with several systems.
- **Private Sector views** from India, as expressed at a Training Workshop on Timber Legality Assurance (Laos PDR, October 2014, co-organized by the ASEAN Secretariat, the EU-EFI FLEGT Facility and the Lao PDR Ministry of Agriculture and Forestry) include the following concerns:
 - The Private Sector welcomes the EU FLEGT initiative, but the cost of compliance should be minimised;
 - India has sound system of forest management and traceability of timber harvested and the EUTR /FLEGT requirements should be integrated with this system;
 - Fiscal incentives should be provided to allow for compliance and a list of documents / certificates from India accepted by the EUTR is to be compiled;
 - There is a need for awareness and training, as there are is still much disinformation on FLEGT, VPA's and the EUTR, such as "*If timber is sourced from the forests managed by the Government, this should be accepted by EUTR system*".
 - The Government has a major role to play in supporting business and industry to address EUTR. FLEGT/EUTR can also bring new business opportunities.

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- Make use of bilateral and multilateral forums, such as India-ASEAN, SAARC and India-EU. Implications of timber exports bans (e.g. Myanmar) should be addressed.
- Agro-forestry/farm forestry is significant in meeting the needs for timber, both domestic and for exports. There is a need, therefore, to integrate this to the FLEGT system and concerns of SMEs are to be addressed.

On EQ4 (implementation management and coordination):

- Communication is mentioned in various reports as a key activity for FLEGT in India. There would be a need for a **FLEGT information campaign**, dealing with the EUTR but not only; there are important implications from FLEGT for the livelihoods of people producing wood-based handicrafts, for example, or for smallholders holding private timber plantations (ex. North Kerala), as buyers tend to shy away from small producers having difficulty to provide proper documentation or information. This risk would need to be properly mitigated and, in the absence of a VPA, the question is how this can best be done. Stakeholder mapping is an important first step, in order to ensure proper reach and involvement of environment and commerce ministries, federal and state governments and all other stakeholder groups.

On EQ5 (Achievement of higher FLEGT objectives - SFM, poverty reduction, sustainable development):

- Reports point at the fact that private plantations (rubber, areca nuts, coconut, timber) are mostly held by small holders while reserve forests and plantations are owned by the forest department. Such small holdings are difficult to certify, and there is a risk that the lack of certification and limited capacity to properly document information on the plantation makes buyers shift to other sources. Considering the FLEGT Action Plan's ultimate goal to contribute to poverty alleviation, such risk would need to be mitigated. In the absence of a VPA, the question is how to best approach and mitigate such risk.

Main Conclusions and Recommendations

Conclusion: Like China, India is an important player in the FLEGT landscape. Although its trade with the EU is small, it is a very important consumer with an important and leading role in the region. From a point of view of achieving global FLEGT objectives, it would be helpful to support the government of India in moving towards FLEGT objectives, including by promoting EU experience of public procurement policy and behavioural change through the EUTR. This could also strengthen the recognition and use of legality assurance systems established in VPA countries when these are sufficient for the purpose of FLEGT-licensing. However, for the time being it is unclear which mechanisms and institutions would provide the best entry point for FLEGT action in India; this would need to be explored.

Recommendation 1: For the EU to engage in a formal FLEGT policy dialogue between the EU and India, similar to the BCM with China

Conclusion: FLEGT, in particular the EUTR, is affecting the livelihoods of thousands of people in India producing timber (smallholders) or engaged in processing of wood-based products. Despite initial initiatives undertaken, there is still a wide-spread need to create further awareness of FLEGT and EUTR, among government, business and industry and specific communities alike, and identify effects and impacts of FLEGT action

Recommendation 2: To strengthen FLEGT awareness and information campaigns, dealing with the EUTR but not only, and to study the impact of FLEGT/EUTR on stakeholder groups

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Conclusion: Considering the important regional trade flows, including with VPA countries such as Myanmar, it seems most effective to address India's illegal timber trade also in a regional context, through inclusion of FLEGT in regional initiatives - such as those by SAARC - , through promotion of provisions in trade agreements (such as the SAFTA agreement) that eliminate the risks of illegal timber trade, or by strengthening of existing regional institutions (such as the SAARC Forestry Centre or the ICIMOD). This should, however, be preceded by a proper assessment of the effectiveness of such regional mechanisms and institutions.

Recommendation 3: To complement national efforts with a regional approach and identify best entry points – both nationally and regionally - for undertaking FLEGT action

Conclusion: There appears to be a renewed interest within Government and industry bodies in promoting sustainable development and procurement and developing due diligence and forest certification in India. In view of India's steps towards establishing its own Forest Certification Council, it is important to support India's efforts and to help harmonize regulatory and certification systems and reduce the costs of compliance with several systems, in particular for small and medium enterprises.

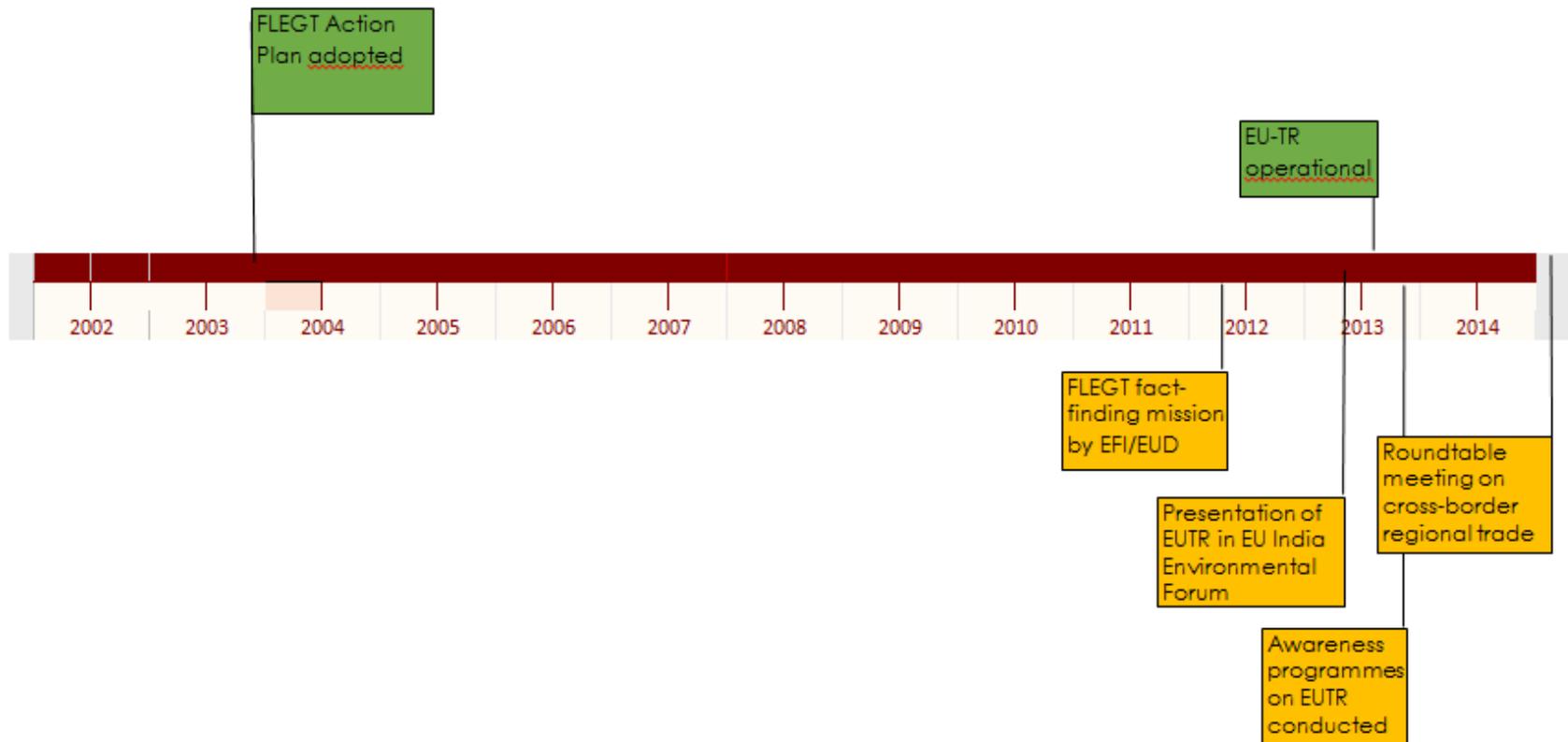
Recommendation 4: To support the further development and implementation of India's certification standard and support Indian actors in their due diligence and legality verification efforts and investigate ways in which regulatory and certification systems could be harmonized in order to reduce costs of compliance with different systems.

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Annex 1 FLEGT Timeline – INDIA

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Annex 2. Key documentation

Authors	Organisation	Year	Title	Publisher
Lawson S.	Chatham House	2014	Illegal Wood Import and Re-export: The Scale of the Problem and the Response in Thailand, South Korea and India	Chatham House
Canby K. et al.	Forest Trends	2013	India: potential to support global market for legally sourced timber products	EFI/EU FLEGT Facility
Barua S.K, Kumar D.	Indufor Oy.	2015	SAARC Area Cross-border Timber Trade, Regional Institutional Mechanisms and Trade Link with Myanmar	
Manoharan T.R.	EFI/EU FLEGT Facility	2013	Effects of the EU Timber Regulation and the demand for certified legal timber on business and industry in India	EFI/EU FLEGT Facility
	EU FLEGT Facility	2015	Note on FLEGT Awareness Initiatives in India supported by the EU FLEGT Facility	EFI/EU FLEGT Facility
Ministry of Environment and Forests	Government of India	2009	India Forestry Outlook Study	FAO

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1. Situation of the country with regard to FLEGT action

FLEGT history

Romania became an EU MS on January 1st 2007; from that moment the FLEGT AP became relevant to the country in view of the up-coming EUTR (FLEGT-AP AA-2) and other AAs on which it was informed. At the end of 2008 the Government of Romania (GoR) in cooperation with EFI, World Bank and the Government of Norway organized an International Expert Meeting⁴³⁵ on FLEG in Bucharest, with participants from ENA and different EU MS. In order to prepare for effective implementation of the EUTR, GoR has invested in the amendment of laws and issuance of quite a series of additional regulations, the strengthening of institutional capacity and the amendment of the existing national timber tracking system, among others. By the end of 2014 most of this was in place, enabling the CAs to start their first controls on the implementation of Due Diligence by operators early 2015. Annex 4 presents a timeline with main FLEGT events within the Romanian context.

Main stakeholders identified

The GoR has designated two units of the *Ministry of Environment, Water and Forests (MEWF)* as Competent Authority (CA) for the control on Due Diligence (DD) by operators in view of EUTR implementation. The *Forestry Department (FD)* is responsible for the control on the first 4 product codes specified in the Annex to the EUTR⁴³⁶; the other codes mentioned in the Annex are responsibility of the *National Environmental Guard (NEG)*. The *National Customs Authority (NCA)* falls under the Ministry of Public Finance and plays a role in the control on import and export of timber and timber products to/from Romania. The Ministry of Economy and Trade, through its *Department of Foreign Trade*, maintains the overview on import and export values. Other relevant information is maintained by the *National Institute of Statistics (NIS)*.

In the private sector the *Public Forest Enterprise Romsilva* is a major player; it is functioning under the authority of the Ministry of Environment and Climate Change, carries out public and commercial services within the forestry sector and it is financially autonomous. It manages more than 3.2 M ha of state owned forest (Source: NIS, 2014) and also some private forests, by contract. Romsilva is responsible for logging and sales on the domestic market of timber sourced from the forests it manages. The wood is sold at auctions and most of the standing wood is harvested by private companies. Romsilva receives limited funds from the state budget annually, especially for restoring forest roads and railways affected by disasters, torrent control works and reforestation of degraded land. The *Association of Private Forest Districts (AAP)* represents 85 forest districts; these organizations administer the forests in their districts, implement the harvesting and trade (exclusively on the domestic market). *Association of Professional Foresters (ASFOR)* is a member organization of approximately 1,200 companies involved in forest harvesting (80%) and processing (20%); part of them also import timber from EU or non-EU countries. Since 01/01/2015 they have a DDS in place that was developed on request of their members from 2012. They also filed a proposal to become a MO, but it was declined based on suspected conflict of interest. Other actors in the private sector are a limited number of *large processing and trading companies*; a large number (altogether 6,200) of SMEs involved in harvesting in Romania (10% of which

⁴³⁵ Expert Meeting on FLEG. Progress and Lessons Learned; Bucharest 13-15 October 2008

⁴³⁶ The first four product codes mentioned in the Annex to the EUTR are: 4401 fuelwood; 4403 wood in the rough – logs; 4406 railway or tramway sleepers; 4407 wood sawn or chipped lengthwise, sliced or peeled, of a thickness exceeding 6 mm.

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is estimated to work without having permits); approximately 30,000 companies in Romania importing wood and/or wood products from in- and/or outside the EU. The *Association of Romanian Furniture Producers (APMR)* includes member companies that import furniture (or parts) from in and outside the EU; it is not clear whether they have a policy promoting implementation of DD by their members or not.

WWF is one of the many forest related NGOs in Romania (others include the *Regional Environmental Centre Romania* and *Nostra Silva*). After the St. Petersburg declaration (2005) many NGOs pushed for involvement. They have been involved in commenting on legislation proposals and development of guidelines for EUTR operators (2015).

Annex 1 presents a list of stakeholders interviewed during the mission. The itinerary of the visit is presented in Annex 2. Stakeholder suggestions for the future of the FLEGT AP are presented in Annex 3

Special issues

The following 4 issues were identified as themes of special interest for the visit to Romania:

1. Awareness of FLEGT-AP

Overall the awareness on the FLEGT AP is found to be limited. Most of the stakeholders interviewed during the MS visit were mainly informed on the EUTR, but not aware of the other action areas, with the exception of some representatives of the Forestry Department and WWF. It is to be noted that the FLEGT Expert Meeting, organised by GoR and others in 2008, included 72 participants from ENA and EU countries of which 1/3 Romanian, including media. Similarly the involvement in FLEGT AP has been limited mainly to AA-2 (Trade – EUTR) and to a minor extent AA-4 (private sector initiatives). Potential future involvement might be relevant with respect to AA-3 (public procurement policy) and AA-7 (conflict timber).

2. Public Procurement Policy

A general Public Procurement law is in place; it does however not include any requirements for timber or timber products. A Green PPP proposal (2014) is being discussed; it has some relevant elements, but again is not specific on timber and has not yet been approved by Parliament.

With the EUTR in place, the supply of products covered by the scope of the EUTR is supposed to be legal. The additional value of having a timber specific PPP or PP law would be to: a. target responsible procurement by government agencies with respect to timber products that are not within the EUTR scope; b. promote companies in the domestic market (and possibly in producer countries) to go beyond the legal level, by targeting SFM certification.

Actually the GoR market is (by law) dominated by the public forest company Romsilva; however, an amendment to the law is in preparation, opening the possibility for private sector companies to access to that market. Under the new conditions it will be relevant to have a TPPP or TPP law in place as a tool to promote SFM, enabling preferred access to the GoR market for SFM certified companies.

All stakeholders would support a PPP or PP law as an approach to promote sustainable forest management.

3. EUTR implementation

Three elements need to be in place for implementation of the EUTR: 1. a Competent Authority (CA) ; 2. supporting legislation ; 3. a monitoring and control system.

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Competent Authority: The GoR designated the responsibility for the control on the implementation of the EUTR to two entities, resorting both under the MEWF:

- a. The Forestry Department: this department has nine (9) “Forest Guards”, territorial units that count in total with 617 staff, of which 545 foresters, out of which 270 fulltime inspectors (for production and import of HS codes 4401 - firewood, 4403 - logs, 4406 – sleepers and 4407 – sawn wood and veneer), and 72 administrative support staff⁴³⁷.
- b. The National Environmental Guard: this unit has the responsibility for all types of inspections related to environment. With respect to the EUTR they have the responsibility to inspect the implementation of DDS for the production and import of all other HS codes related to timber and timber products mentioned in the EUTR, such as particle boards, plywood, mouldings and furniture. The unit has 630 inspectors that work on a thematic basis.

Legislation: the GoR has introduced and/or adjusted quite a series of laws and regulations to enable the effective implementation of the EUTR. This concern both legislation related to the designation of the CA, as legislation to provide the two CA units with a legal mandate for the control of DD by operators, as legislation to enable the implementation, testing of wood tracking system (WTS).

FLEGT related legislation adjusted and/or introduced in Romania in the period 2007-2014

- Ministerial Order 255/2007 on measures to implement EU regulations on CITES
- Law no. 171/2010 establishing and sanctioning contraventions in forestry
- Government Decision 876/2011 on appointment of competent authority for FLEGT
- Government Decision 668/2011 on designation of competent authority for the EUTR
- Ministerial Order 1721/2013 on methodological norms for handling FLEGT licences
- Government Decision 470/2014 on EUTR implementation, incl. WTS
- Ministerial Order 836/2014 on consent for use of forms and documents with special regime
- Ministerial Order 837/2014 on SUMAL implementation
- Ministerial Order 856/2014 on processing 112 emergency calls on timber
- Ministerial Orders 596 and 728 on testing SUMAL implementation
- Ministerial Order 819/2015 on methodology for Control & Inspection (e.g. risk map development)
- Emergency Ordinance of Government 32/2015 on establishment of Forest Guards (incl. increase of capacity and salary of inspectors)
- Law no. 46/2008 Forest Code with further modifications and completions, including an increase of fines in order to harmonize with other MS, republished in August 2015
- Government Decision no. 845/2015 (15th of October; law on implementing EUTR inspections by NEG)

Additional work has been on-going on the following legislation :

- Up-date of Law 171 of 2010 on forestry crimes being discussed in Parliament

Monitoring and control system: A timber tracking system (SUMAL) has been in place since 2008. In the context of FLEGT this system has been combined with modern techniques to a new WTS. The WTS is operational since October 2014 and works with real-time information, issuing unique codes for

⁴³⁷ According to Emergency Ordinance of Government 32/2015 on establishment of Forest Guards

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“assessment acts” (a type of transport permit⁴³⁸) until the maximum volume of a logging permit is reached, cross-checking of detailed information on receipt at processing units (before the timber may be processed). The system functions at a national level and is accessible to police and authorities for control. Control covers domestic production and imports, according to code competence of FD or NEG

The following *additional supporting activities* have been developed :

- training of staff (on the job, permanent)
- workshops and discussions among different departments (sharing knowledge)
- "Guide of Good Practices" for operators (July 2015); jointly prepared by MEWF, private sector and civil society stakeholders

National Customs Authority

The NCA has to control documents that accompany export and import shipments; maintain supervision of suspicious timber transports until the CAs have taken their decision on the outcome of control; collaborate with the implementation of SUMAL and to receive, verify and accept FLEGT licenses. There is inter-institutional collaboration with FD. A cooperation protocol with FD and NEG has yet to be made.

Implementation of DD control for EUTR

By the end of 2014 the above elements were in place. This enabled FD and NEG starting control on the implementation of DD by operators in early 2015⁴³⁹. State of the art September 2015 :

- **FD**
 - *Increased capacity (617 staff for 9 Forest Guards of which 545 foresters (50% inspectors) and 72 administrative staff)*
 - *increased salaries and motivation for inspection*
 - *improved control systems (real time; data base links) and equipment*
 - *increased cooperation with civil society (the public can call "112" if they suspect that there might be something wrong with a timber transport)*
 - *DD control started in spring 2015 (due to Governmental Order DD needs to be in place from 01/01/15)*
- **NEG**
 - *630 inspectors (part-time on timber products; thematic controls)*
 - *started January 2015 through 2 major actions to promote DD (based on General Environmental Law)*
 - *no need for operators/traders to register*
 - *control methodology developed; procedures drafted*
 - *majority of operators importing wood products is said not to apply DD as long as a law regulating NEG inspections is not in place, enabling import of illegal wood products ; law expected to be approved by end of September 2015*
 - *NEG estimates that 5-10% of their operators may work illegally*

⁴³⁸ Where relevant “confiscation acts” with a unique code can be generated to provide a transport permit for confiscated timber.

⁴³⁹ FD started inspections in March 2015. Until September 2015 they had inspected 557 companies, of which 105 (19%) lost their operation permits and 23 (4%) had their permits suspended for up to 90 days. In total 60,251 m3 of timber were confiscated, representing a value of € 2.2 M, while fines are being processed by the court.

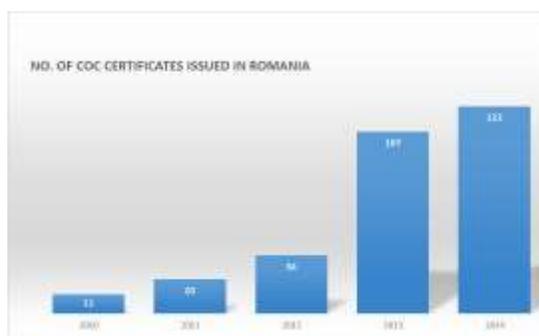
Although the law that shall specify the NEG mandate for inspecting DD of operators for the specified HS codes is yet to be approved, the main Environmental Law allows NEG to issue measures, as a result of which it implemented two major inspection actions in March and July 2015. So far they identified and inspected 112 operators; they did not find infractions against DD yet, but found infractions against other environmental aspects in three companies that were fined each for €5,000 .

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Stakeholders consider that the EUTR has had a stimulating effect on private forest certification. SFM certified forest area in Romania amounts to 2.45 M ha FSC certified forest⁴⁴⁰; there is no PEFC certified forest in Romania; a process to develop a national PEFC standard for Romania has recently started. There are well over 250 companies with a FSC CoC certificate and a few companies with a PEFC CoC certificate. The number of companies with a CoC certificate has risen strongly during the last two years (figure 1).

Some stakeholders expect a further stimulating effect of the EUTR on certification.

Figure 1 : Number of FSC CoC certificates issued in Romania, period 2010 – 2014 (Source WWF).



4. Illegal logging

All stakeholders interviewed consider illegal logging in Romania a problem. Illegal logging started after the turn-over from the communist state with the restitution of forest areas to former owners (1990); during the communist era there was strict control by the authorities. Due to the lack of control by the state and lack of effective protection by the private owners a lot of trees were logged illegally.

There are different approaches to estimate the extent of illegal logging, using data of: a. the National Institute of Statistics in combination with national forest inventories (NFI; 1st, 2nd cycles⁴⁴¹); b. inspections (based on registered facts); c. calculations of tax losses (of the fiscal administration).

Estimates for the period 2008-2014 (note: compare with formal production: 18,07 M m³/yr) :

- *approach a.* 17.88 M m³/yr on average (as official records for legal harvested wood from NIS), compared to 26.69 M m³/yr on average (cycle 2 versus cycle 1 from NFI): 8.8 M m³ for 2008-2014 → on average **1.3 M m³/yr** (representing a total value of 228 M euro for the period or **72,5 M euro/yr**)
- *approach b.* : **2.5 M m³/yr** (representing a value of **139,4 M euro/yr**)
- *approach c.*: tax loss (1989-2012) : 22.6 M m³ (**1 M m³/yr**); (**55,8 M euro/yr**)

⁴⁴⁰ SFM certified forests in Romania include 2.36 M ha of public forest (Romsilva), 0.07 M ha of public local administration forest and 0.02 M ha of private forest; in addition there is 0.06 M ha of FSC-CW verified forest (Romsilva); (Source FSC website March 2014).

⁴⁴¹ The 2nd cycle of the national forest inventory is still on-going; an estimation is being based on the sample plots measured in cycle 2, representing 25% of the number of sample plots which have been measured in cycle 1, with a precision to estimate the volume of ± 11% .

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When the outcomes of the three approaches are combined, this results in an average estimation of: $1.3 + 2.5 + 1.0 / 3 = 1.6 \text{ M m}^3/\text{yr}$ representing a value of **92.9 M euro/yr**.

Due to the above situation, both the public as the GoR got concerned. Early 2015 there were demonstrations in Bucharest to raise awareness on the theme. The National Defence Council (headed by the President of Romania) discussed the issue, defined it as a national priority and issued an emergency ordinance, which resulted in additional funding made available to increase the number of professional staff of the Forest Guard (170 additional full-time foresters as compared to 2011), their salaries (better motivation) and equipment. An “illegal logging risk map” was prepared enabling focus on hotspots and red areas. The map is available on the website of the Forestry Division, and is said to lead to a kind of competition effect between red areas, wanting to diminish illegal logging. So actually there seems to be political support and support of civil society; citizens can call the emergency number “112” if they see something suspicious, a move through which the authorities increased their ears and eyes in the field.

There are different views on the relative importance of firewood as cause for illegal logging: according to government it concerns 60% of the illegal volume (thus based on above estimations: 0.96 M m³/yr). Representatives of private sector and civil society considered it to be “not important” arguing that it concerns between 1-5 % of the total production volume (so between 0.18 - 0.90 M m³/yr).

One of the issues concerning illegal logging is the relative vulnerability of non-administrated areas. There are approximately 480,000 ha of forest shared among 800,000 private owners; the forests are mostly smaller than 10 ha, which means that there is no legal requirement for a forest management plan (according to law only needed if the forest is larger than 100 ha). As a result the majority is not associated to a private forest district (PFD), which normally require a management plan to enable association. Due to this there was no control on such areas and they tended to be targeted by illegal loggers. The issue has been solved in March 2015 through an amendment that enables forest areas smaller than 10 ha to access to forest administration and forest service provision (mandatory for forest districts for all forests, regardless of ownership), provided they sign an administration contract for 10 years. Such a forest services contract allows for harvest of up to 3 m³/ha/yr, if the forest property is smaller than 10 ha.

The majority of stakeholders interviewed have high expectations that illegal logging in Romania is under control now. They consider that organised crime in illegal logging has been stopped due to the EUTR. They do not think corruption is an important factor at the moment. Nonetheless there are indications that peaks occur in relation to election years. In election year 2012: up to 17%, in 2013 (main effect concerning timber cut the year before): a plus of almost 50% of the annual production level. Many of the improvements are just in place and there are no monitoring data yet. A positive signal however, mentioned by private sector representatives, is that prices of timber and timber products on the domestic market are improving.

With respect to trade of illegal timber, a risk that remains concerns the import of illegal timber products as long as the law on DD implementation control by NEG is pending. Main import is from Ukraine, Belarus; further intra union trade is important (Germany, Sweden, Croatia, Slovenia, Italy). There are also imports from China, Indonesia and other non-EU countries⁴⁴².

2. Key Findings

⁴⁴² Details yet to be provided by the Ministry of Economy and Trade.

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On EQ1 (relevance):

- Romania is one of the relatively new Eastern European MS with a significant forest area and timber production. The country counts with approximately 6.3 M ha of forest, 62% of which is production forest⁴⁴³; 38% is forest with special protection functions. Ownership is 55% public and 45% private. The country counts with approximately 500 Forest Districts⁴⁴⁴. During the communist period forests were property of the state and forest was centrally (and generally well) managed and protected. After the turn-over in 1990, forest lands were gradually given back to their former owners, resulting in lack of oversight, lack of government presence, lack of management/administration and lack of protection. Combined with the general economic conditions/needs at that time this caused a significant rise in illegal logging activities.
- Illegal logging in Romania is a problem. According to MEWF it concerns mainly conifers; 60% of the illegally logged trees are estimated to be used for heating in wintertime, especially in rural areas. Estimations range between 1.0 to 2.5 M m3/year averaging 1.6 M m3/year of timber (representing approximately 9% of the official annual harvest volume of 18,5 million m3 and an amount of approximately €93 M/yr).
- Romania does not have strong historical ties and/or trade relations with tropical countries. There is some import from tropical countries and Indonesia has recently been showing interest to increase timber trade to Romania⁴⁴⁵. Import of timber and wood based products concerns especially Ukraine, Belarus. Important suppliers within the union are Germany, Sweden, Slovenia, Croatia and Italy⁴⁴⁶. In view of the situation in Ukraine it could be of interest to focus on AA-7 (conflict timber), which has so far not been done, although there has been a significant increase (35%) in value of import from Ukraine between 2013 and 2014 (Source: Ministry of Economy and Trade).

On EQ2 (design):

- An important characteristic of FLEGT is broad stakeholder consultation. Although this may have been thought to apply to VPA processes, it also worked in Romania. In new MS Romania civil society and to some extent also private sector were not used to be involved in open discussions with GoR. Civil society has seen a lot of change in the attitude of GoR over the last 5-6 years. The latter is said to have become very approachable and transparent and seems to have adopted the approach that "more brains are better". CSOs are said to have strengthened and matured in their participation. Private sector has been involved since 2012. E.g. civil society and private sector have been asked to comment on proposals for legislation and in close coordination a Guidance document on EUTR for operators has been prepared⁴⁴⁷.
- Guidance by EC was not enough according to some stakeholders that call for clearer examples in guidance documents. Other stakeholders commented that guidance has been generally useful and that there have been several versions, indicating that it has been a learning process.

⁴⁴³ The annual timber production of the production forest in Romania is approximately 18 M m3.

⁴⁴⁴ Of the forest districts 322 are administered by the public forest enterprise (Romsilva), 144 are Private Forest Districts (PFD) and 11 PFD withdrew due to a lack of forest area (the law indicates minimum areas for the formation of a Forest District: at least 3,000 ha in flat terrain, 5,000 ha in hilly terrain and 10,000 in mountainous terrain).

⁴⁴⁵ Romania received a trade mission from Indonesia in 2015 and is considering to reopen an economic section in its Embassy in Jakarta.

⁴⁴⁶ There used to be also import of logs from Bulgaria, but that has ceased due to the Bulgarian log export ban installed in March 2015.

⁴⁴⁷ Ghid de bune practice pentru operatorii nationali in vederea implementării corespunzătoare în prevederilor Regulamentului (UE) nr. 995/2010, 2015.

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On EQ3 (effectiveness - cover Action Areas as applicable):

AA2 (trade in timber)

- Romania is a net timber exporter (logs, sawn timber and firewood). Trade data of 2013 and 2014 indicate a slight decrease in export and an increase in import (Table 1).

Table 1. (Source: Ministry of Economy and Trade, pers. com.).

Product	Export value in M € 2013	Export value in M € 2014	Export change in %	Import value in M € 2013	Import value in M € 2014	Import change in %
Firewood	127.8	113	-12	19.3	18.5	-4
Roundwood	49.7	38	-24	23.2	33.1	+26
Sawnwood	721.3	694	-4	45.1	65.3	+45
Subtotal	898.8	845	- 6	87.6	116.9	+ 33

- Main export or intra union trade destinations are China, Turkey and Austria (logs), Japan, Egypt and China (sawn wood) and Austria, Italy and Germany (firewood); Figure 2.
- Export of energy pellets is on the increase.

Figure 2. Romanian export value (in M €) of logs, sawn timber and firewood to 3 main destinations in 2013 an 2014 (Source Ministry of Economy and Trade; pers. com.).

Value in M € for main export destinations	2013			2014		
	Austria	Italy	Germany	Austria	Italy	Germany
Firewood	56	37	104	53.3	28.2	8.7
Logs	China	Turkey	Austria	China	Austria	Turkey
	36.9	3.0	2.3	26.8	2.2	2.3
Sawn timber	Japan	Egypt	China	Japan	Egypt	China
	169.2	81.6	63.8	112.9	92.5	71.3

- Main supply countries or intra communal trade for import are Ukraine, Slovenia and Belarus (logs), Ukraine, Germany and Sweden (sawn timber) and Ukraine, Italy and Germany (firewood); Figure 3.

Figure 3. Romanian import value (in M €) of logs, sawn timber and firewood from 3 main suppliers in 2013 an 2014 (Source Ministry of Economy and Trade; pers. com.).

Value in M € for main import suppliers	2013			2014		
	Ukraine	Belarus	Italy	Ukraine	Italy	Germany
Firewood	15.3	1.1	0.9	16.1	0.6	0.5
Logs	Ukraine	Croatia	Slovenia	Ukraine	Slovenia	Belarus
	40.7	1.0	0.9	58.1	2.7	1.1
Sawn timber	Germany	Ukraine	Sweden	Ukraine	Germany	Sweden
	4.1	4.0	3.9	6.4	5.1	4.5

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- EUTR: see paragraph 1. 3

AA3 (*Public Procurement Policy*)

- See paragraph 1.2

AA4 (*Private sector initiatives*)

- Several activities have been developed by the private sector in Romania, related to the introduction of and in view of compliance with the requirements of the EUTR. The cost for these activities are normally fully born by the companies (most companies are not informed on the wider FLEGT AP). Examples are:
- informing members on the EUTR (ASFOR, AAP). Most companies are not informed on the wider FLEGT AP (“they know nothing about it”); the focus has been on what is relevant to them, being the EUTR. Information to be shared was obtained mainly from the internet and partly through participation in workshops organised by the FD.
- developing and implementing DDS (ASFOR, AAP, Romsilva). AAP and Romsilva only operate on the domestic market. ASFOR is the organization with the biggest number of companies (1,200) using its DDS in Romania; approximately 80 members also import. ASFOR has offered the use of their DDS also to other organizations, like the Association of Romanian Furniture Producers (APMR); so far the latter has not shown interest.
- developing know-how on 52 exporting countries (ASFOR), in cooperation with the European Organization of the Sawmill Industry (EOS). The know-how consists of information needed on types of documentation required in view of the EUTR when importing from certain countries, including China, Thailand, Taiwan, Malaysia, Singapore.
- developing a proposal to become a Monitoring Organization (ASFOR). The proposal was rejected by DG ENV, due to suspected conflict of interest. A new, fully independent organization is now being developed and a new proposal will be presented.
- training (ASFOR) of associated companies.
- promoting and implementing FSC certification (AAP, Romsilva); companies consider FSC certification as a good way to show low risk for DD procedures. The implementation of the EUTR has caused a significant increase of the number of FSC-CoC certificates over the last two years (see paragraph 1.3).
- developing a Code of Conduct (ASFOR), indicating the need for DD (on-going, final version to be approved in 2015). This is also required by the European Sawmill Organization (EOS) and the European Agriculture and Forestry Organization (CEDDAR), of which ASFOR is a member.

AA7 (*conflict timber*)

- Conflict timber is an action area that has not received attention in Romania. However, the conflict situation in neighbouring Ukraine may make this a very relevant action area to pay attention to, especially as Ukraine is an important supplier of logs and lumber (see paragraph AA2 on Trade).

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- A significant increase (+34%) in the import value from Ukraine has been registered over the last two years⁴⁴⁸: 2013: 60.1 M euro (logs, lumber, firewood); 2014: 80.6 M euro (logs, lumber, firewood).
- The EUTR in its Article 6 on Due Diligence Systems makes a reference to “*sanctions imposed by the UN Security Council or the Council of the European Union on timber imports or exports*”. The Romanian interpretation is that as there is no official war declaration for Ukraine, there is no official conflict and therefore there are no sanctions and thus actually no restrictions. Of course, if there would be they would be considered, but now there is no guidance on what to do (or what not to do).
- The Ministry of Trade of Romania seemed to be quite unaware of the conflict timber issue. While the Ministry of Trade has had discussions with its counterpart in Brussels (DG-Trade) on conflict minerals, so far *conflict timber* has never been mentioned by DG Trade. This suggests that there is room for improvement on awareness raising and mainstreaming the issue as one that is touched upon in bilateral discussions.

On EQ4 (implementation management and coordination):

- Romanian stakeholders do not have perceptions on FLEGT AP management. This applies both to the technical as the financial management and its efficiency. Yet a remark was made on the perceived limited guidance provided by the EC with respect to DDS development (too much left for interpretation) and the lack of collaboration between MS on this point, resulting in organizations in all MS developing their own DDS.
- In Romania the cooperation and coordination between FLEGT stakeholders is said to have improved much (“major change”) since 2009. There is an open relation with GoR, there is a lot of transparency; there is coordination on legal proposals and cooperation to develop joint products, such as the Guide of good practices for EUTR implementation. Relations seem to be good and there is the feeling that through combined efforts problems can be (and are being) tackled.
- There are no overall monitoring data available on FLEGT related activities by stakeholders and/or their costs. In this respect it has to be mentioned that since 2 years there is no national FLEGT focal point (no new appointment after the former left). This may have affected the lack of overview and guidance to focus on certain issues.

On EQ5 (achievement of objectives):

- *Reduction of Illegal logging in Romania*

According to some stakeholders illegal logging has significantly decreased over the last 2 years. However at the same time there are indications that the elections in 2012 caused an increase due to “political arrangements” (see paragraph 1.4). Fact is that there is a need for consistent monitoring according to a well established and commonly agreed methodology. At least a number of elements relevant to diminish illegal logging has been put in place over the last few years, including relevant legislation; stricter punishment; increased capacity, salaries and equipment of the Forest Guard; the 112-mechanism involving civilians in the control of logging and transport; the use of the illegal logging risk map. These elements may contribute to improved compliance of companies and prevention of illegalities. Although stakeholders are

⁴⁴⁸ Source: Ministry of Economy and Trade of Romania, Foreign Trade Department.

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convinced that the organized crime in illegal logging will have been tackled now, monitoring will have to provide data to confirm or deny the suspected trends.

The adoption of the amendment to the Law on infractions and fines in forestry (approved in 2014)⁴⁴⁹, helps to improve harmonization with other MS.

- *Reduction of trade in illegal timber and timber products*

The centralization of information for DDS is said to lead to continuous control in companies; this serves GoR (legality) and companies (improved management). There is now a working WTS that is combined with SUMAL. The system requires cross-checking of information when timber arrives at processing factories. With the increased capacity of the Forest Guard, stakeholders are convinced that a proper control system is in place. Companies now have no choice than complying with DD requirements; if they do not, they will be out of business. Stakeholders agree that a good system is in place now for effective control.

At the same time it is pointed out that not yet all companies are complying and that a lot of operators are still struggling to develop a DDS. In case a company is found not to comply it may be given 45 days to comply. A new inspection will then take place and conclude whether the company can continue or lose its permit.

- The law designating NEG to inspect on DD applied by operators of timber products has been approved (October 15th, 2015), which means that such operators can be controlled now on the functioning of their DDS. So far these operators were said to apply a “wait and see mentality” and not apply DD. The new law is expected to stimulate effective implementation of DD by importers, and is especially relevant for timber products imported from high risk countries (like China), where the risk that products are sourced from illegal origin are yet considerable.
- Harmonization of EUTR implementation and integration of additional product codes in the EUTR scope is considered important to further reduce the trade in illegal timber products.

On EQ6 (Other, emergent outcomes):

- There has been an exchange visit of the Bulgarian government, as a result of which Bulgaria is showing interest to develop a similar WTS.
- The EUTR has had a strong stimulating effect on forest certification (see paragraph 1.3)

On EQ7 (contribution to higher objectives):

- *Poverty reduction*

The activities developed by Romania in the context of FLEGT do neither target nor contribute to reduction of poverty (not in Romania and not in other producer countries).

- *Sustainable Forest Management*

The activities to promote compliance with the requirements of the EUTR have included the preparation for FSC-FM certification by several companies, including public forest company

⁴⁴⁹ The amended to the Law on infractions and fines in forestry details the following maximum punishments (based on severity of infractions): a. *Contraventions*: €111 (for damage value < 1 m3) – €1,114 (for damage of 3-5 times the value of 1 m3); b. *Crimes*: imprisonment of 6 months to 3 years (for damage > 5x value of 1 m3) or up to 7 years (for damage > 50 x value of 1 m3); c. Fines of minimum €223 up to maximum €4,456 for incorrect use of the SUMAL system; d. Confiscation of surplus volumes or otherwise illegal timber; e. sanction to withdraw the operating license.

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Romsilva. Many certificate have been issued in the period 2013-2014. By March 2014 Romsilva had an area of 236 M ha FSC-FM certified. An additional 0.07 M ha of public local administration forests and 0.02 M ha of private forest were certified and since then the area has further increased. As is generally known, FSC-FM certification is a means to try to ensure that SFM principles are applied in forest management. In that sense it can be considered that the EUTR has had a positive effect on the promotion of SFM in Romania.

On EQ8 (efficiency):

- As mentioned earlier there is no central administration/overview of activities and investments made in FLEGT in Romania. Based on information gathered during the visit following estimations are made on costs:

<ul style="list-style-type: none"> ▪ GoR : <ul style="list-style-type: none"> - FLEG Seminar 2008: €40,000 - development of Sumal and subsystems Forgis, Formis (WB Forestry Sector Development Program, 2008): €348,000 - development of the WTS + helpdesk (2014): €35,000 - further development of the Forest Management Information and Monitoring System (FMIMS) for the period 2015-2018: €706,853 (software development) + €400,000 (hardware) = € 1,106,853 <p>If the above 4 investments are spread over time (a and b: 10 yrs; c and d: 5 years) this would mean an average annual investment of: €38,800 + €228,371 = €267,171 / yr</p> <ul style="list-style-type: none"> - information provision and training workshops: €2,000/yr - equipment planned for FG staff (2016): €1.17 M. Taking this as a basis, the same amount is applied for the NEG. For customs an amount of 10% of this is applied. Further the investments in equipment are estimated to be used 5 years. → (€1.17 M + €1.17 M + €0.117 M)/ 5 means an investment in equipment of €0.49 M/yr - planned EUTR related staff input and operations FG (2016): € 1.08 M /yr - staff input and operations NEG: say this would be 20% of cost for FG (part time thematic activity): €0.216 M / yr - staff input and operations Customs: say this would amount 5% of the input of FG (due to the need to focus on many different products beyond timber products): €0.054 M → total staff input for EUTR (FG + NEG + NSI): €1.08 M + €0.216 + €0.054 = €1.35 M/yr → total investment GoR: €2.1 M /yr ▪ Private sector : <ul style="list-style-type: none"> - total 6,200 logging/processing companies + 30,000 importing companies = 36,200 companies - certification: 1st audit: 100,000 euro/ 1 M ha (Romsilva) (2.4 M ha → €240,000) + annual surveillance audits during 4 yrs (estimated at €45,000 /yr) → on average €84,000/yr. - estimation other certifications: a. other FSC-FM/CoC certificates (€150,000/yr); b. 1 FSC-FM/CW certificate (€15,000/yr); c. FSC-CoC group certificates (15 x €15,000 = €225,000) ; FSC individual CoC certificates: 166 x €5,000 = €830,000 → total certification costs €1.304 M/yr - 1 additional staff for DDS: € 5,000/yr/company; (for 5 % of companies) → 36,200 x 0.05 x €5,000 = €9.05 M - increased IT needs: € 250/yr/company (for all companies): 36,200 x €250 → € 9,1 M/yr - internal development of DDS, training on DDS, internal development know-how, internal development code of conduct and MO proposals of ASFOR: €10,000; say € 1,000/yr (right to use of DDS ASFOR: no additional costs for members) - development of DDS and training on DDS by 4 other associations /major groups: € 4,000/yr → DDS development/maintenance costs for associations/major groups: €0.005 M/yr (say used by 6,200 members) - development new DDS by individual companies (say 30% of rest companies; average €10,000; use DDS during 10 yrs): estimation on average €1,000/year/company x 9,000 companies → €9 M/yr - adjustment of existing systems by individual companies (70% of rest companies; estimated average cost: €200/yr) → 21,000 x €200,- = €4,2 M/yr - association to MO: 800 - 5,000 euro/yr/company (depending on size; say average €2,000); limited use (10% companies) → €2,000 x 3,620 = €7.24 M/yr - implementation of DDS by individual companies (36,200 companies; on average 3 supply lines /company ; cost/supply

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line €200/yr): estimation on average €1,500/year → **€21.72 M**

→ **total investment private sector: €61.619 M**

▪ **Civil society :**

- WWF : estimation : 1 M euro (in 10 years) (so on average €100,000/yr)

- others : say that 4 other NGOs spend 25 % of that each: €100,000/yr

→ **total investment civil society: € 200,000/yr**

Estimation TOTAL investments per year:

GoR + PS + CS = €2.1 + €61.6 + €0.2 M = **€63.9 M**

- As many of the elements to combat illegal logging and/or increase the use of legal timber are only just in place, it is not possible yet to present an overview⁴⁵⁰ of the benefits expressed in values. In the box below, therefore some estimations on potential benefits are presented:

▪ **Illegal logging** in Romania is averaging 1.6 M m³/year, representing an amount of approximately **€93 M/yr** for the material only.

▪ **No taxes** have to be paid over the products (as there is no stumpage fee). However contributions have to be paid to:

a. the *Fund for Forest Conservation and Regeneration - FFRC*: 10-25% of authorized harvest calculated at average price of a m³ of standing timber. Other percentages apply for illegal timber found and documented, depending on ownership. For the purpose of this calculation we suggest that illegally logged timber is not found and thus we apply an average value of $(10 + 25)/2 = 17.5\%$. Based on information from the UK Forestry Commission (2015), it is assumed that the average price of 1 m³ standing timber is 37% of the average price of 1 m³ of timber on the roadside. The value of 1 m³ timber at the roadside is €93 M/yr / 1.6 M m³/yr = €58.125. This means that annual volume of illegal timber (1.6 M m³/yr) should normally have contributed the following amount to the **FFRC**: $1.6 \text{ m}^3/\text{yr} \times 0.37 \times €0.58.125/\text{m}^3 \times 0.175 = € 6.02 \text{ M / yr}$

b. the *Environmental Fund - EF* (related to Government Emergency ordinance No. 196/2005): 2% of the sold wood value, except for firewood (and some other categories, such as Christmas trees, that are not relevant in this context). In line with the estimations of the FD, we suggest that 60% of the total illegally logged volume concerns firewood. The value of 1 m³ would be €93 M/yr / 1.6 M m³/yr = €58.125. The contribution to the **EF** would have been $1.6 \text{ M m}^3/\text{yr} \times 60\% \times 2\% \times €58.125/\text{m}^3 = €1.12 \text{ M /yr}$

The potential benefit to gain by avoiding illegal logging in favour of the FFRC and the EF amount to: **€7.1 M**

▪ In addition **20% VAT** (new rate from 01/01/16) could be gained over the sales, which would mean another **€18.6 M**

▪ Additional benefits are thought to be achieved based on the **slightly higher price for FSC certified products**. The total volume logged per year amounts 18.07 M m³/yr, representing a value of €659.74 M/yr. The total area of production forest is 62% of 6.3 M ha = 3.906 M ha. The total certified area (September 2015) amounts 2,524,392 ha, which is 64.6% of the production forest. In average the production of the certified forest would be $64.6\% \times 18.07 \text{ M m}^3/\text{yr} = 11.67 \text{ M m}^3/\text{yr}$, representing a value of €426.19 M. Provided the average price bonus for FSC timber from Romania is € 10/m³, this would deliver an additional benefit of $11.67 \text{ M m}^3/\text{yr} \times €10 = €116.7 \text{ M/yr}$

Estimation TOTAL potential benefits per year:

€93 M + €7.1 M + €18.6 M + €116.7 = **€236.4 M**

- When comparing the estimated costs with the estimated potential benefits it seems that the benefits are a factor 3.7 (so 3 to 4) bigger than the costs, which means that the investments made by the stakeholders in the sector can be cost effective.

⁴⁵⁰ So far the only information available on benefits is that since January 2015 FG confiscated timber for a value of €2.2 M and NEG fined 3 companies for a total value of € 15,000.

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On EQ9 (sustainability):

- The new legislation put in place (e.g. on EUTR inspections, punishments), the WTS in combination with SUMAL and the capacity available for control by the CAs form a good basis for effective control. The fact that the National Security Council has made Illegal Logging a priority, means that there is the highest level of political support. The transparent and collaborative approach of the authorities, the support by civil society and the positive drive with at least part of the private sector (shown by their dedication to SFM and the related FSC certification) are other positive factors that will support the sustainability of results to be achieved. The positive cost-benefit relation as described above may be another argument to ensure proper implementation of the EUTR.
- There is a need to involve DG Trade in the discussions on Conflict Timber in order to ensure that they discuss that issue with the MS, like they do that on conflict minerals.

On EQ10 (coherence and added value):

- The Forest Law prohibits conversion, but EC subsidies for agricultural use (up to €500/ha) are said to promote slow but steady illegal conversion into pasture for sheep farming.
- Illegal logging in protection forest /HCVF on private land is another concern: the GoR is not allowed by the EC to subsidise the management of such conservation forests (this would be seen as state support, which is forbidden). However, as there is no income from logging in these forests, these areas tend to be costly to the private owners, due to which there is generally less protection, making these areas vulnerable to illegal logging.
- The added value of working on FLEGT issues at EU level is very clear with respect to the EUTR. Further exchange and activity is desirable if not needed with respect to other action areas (PPP and conflict timber).

3. Main Conclusions and Recommendations

Conclusion 1:

The FLEGT AP is not much known in Romania. The main focus has been on AA-2 (EUTR), including GoR, private sector and civil society. Some work has been done on AA-4 (PS initiatives) and it would be relevant to work on AA-3 (PPP) and AA-7 (Conflict Timber). FLEGT is said to have induced an open relation between stakeholders, leading to improved cooperation, which resulted among others in several joint products. However, and may-be although there are two Competent Authorities that have distributed responsibility according to HS Codes, there is no structural coordination nor monitoring of FLEGT related activities or expenses, with the effect that there does not seem to be the necessary overview to enable strategic focus on wider FLEGT issues.

Recommendation 1:

Appoint a FLEGT focal person and improve the coordination of activities between stakeholders, strategic thinking and monitoring, including on investments in FLEGT activities.

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Conclusion 2:

Romania seems to be well on its way to implement the EUTR: a. there is new and/or amended legislation in place to facilitate effective implementation (others have been prepared, but are still in discussion in Parliament/Government); b. there are two Competent Authorities in place with significant capacity, spread over two types of units (the Forest Guards and the National Environmental Guard) with their own competencies, distributed according to HS-codes; c. an effective Wood Tracking System covers the production on the domestic market.

The control on import has been a weak point. Although according to NEG the import of wood products with the last 12 HS codes from outside the EU is limited, there are companies involved in such imports and these have often not been applying DDS, especially due to the lack of an implementing act to regulate effective control by NEG on timber. This act has been approved on October 15, 2015. This is expected to enhance effective control by operators of forest products (with the last 12 HS codes). Most timber imported concern the first 4 HS codes, which are controlled by the FC. Also the role of the NCA needs strengthening, e.g. further detailing in a cooperation protocol with the forest authorities and establishment of an inter-institutional collaboration with the NEG.

Recommendation 2:

Stimulate effective EUTR implementation by all main stakeholders (FD, NEG and NCA) as soon as possible, paying attention to national production, imports from non-EU countries and exports, and strengthening exchange and cooperation with CAs in other EU MS.

Conclusion 3:

Illegal logging in Romania is considered a serious problem by all stakeholders. There are several ways to estimate the illegally logged volume; an average estimation amounts to a volume of 1.6 M m³/yr, representing a value of approximately €93 M for the material only. There is public and political support to tackle the problem of illegal logging; stakeholders share the view that illegal logging is now decreasing and that the sector is cleaning up. Since early 2015 the CAs have started controlling the implementation of DD by operators, resulting in withdrawal or suspension of 23% of the companies controlled by FG, the recovery (confiscation) of timber with a value of €2,2 M and identification of companies by NEG. There are no monitoring data yet, but first indications that prices of wood products are rising. A comparison of estimated cost and potential benefits indicates that benefits can by far exceed costs, by a factor three to four. This suggests that investments in the context of EUTR and SFM certification are cost-effective.

Recommendation 3:

Stimulate compliance with the Romanian forest-related legal framework by focussing on awareness creation of the wider public as well as the private sector, and establish and implement a practical and reliable monitoring methodology (including a study of the baseline situation).

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Conclusion 4:

There is no Public Procurement Policy or PP law that makes special reference to timber and timber products in Romania. While the EUTR requires at least legal compliance, a public procurement tool can enhance sustainable forest management. The latter is in line with the suggestion of Romanian stakeholders to strengthen the future of the FLEGT AP by enhanced focus on sustainable forest management. Within the new context, in which public forest enterprise Romsilva loses its monopoly position, it is relevant to promote such a tool, providing SFM certified SMEs with access to the government market.

Recommendation 4:

Introduce a Public Procurement Policy or law for timber and timber products to stimulate SMEs to access to a privileged GoR market.

Conclusion 5:

Ukraine is an important supplier of raw material (especially logs, but also firewood and sawn timber) to Romania. Although Ukraine has been in serious conflict since 2013, there are no restrictions on timber import from Ukraine and there is a significant increase of import (+35%, from 2013-2014). There has been no discussion on “conflict timber” and there is no guidance on what to do without an official UN or EU resolution. Also, while the Ministry of Economy and Trade has had discussions with DG-Trade on conflict minerals, there has been no mention or whatsoever of conflict timber, meaning that there is room for improvement on awareness raising.

Recommendation 5:

Address the issue of conflict timber in view of the situation in Ukraine together with Brussels (DG-ENV, DG-DEVCO and DG-TRADE) and possibly other EU Member States that have experience with conflict timber. In addition DG-TRADE is recommended to mainstream the issue as one that is touched upon in bilateral discussions with any Member State, like it does with conflict minerals.

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Annex 1. Itinerary of the FAPE mission to Romania

Date	Time	Place	Activity
Mo 01/09	All day	NL	Preparation (reading, planning, methodology, practical)
Sa 05/09	Morning	FR	Preparation SH list and preliminary planning
	Afternoon	FR	Preparation (reading, planning, practical)
Su 06/09	Morning	FR	Travel to airport
	Afternoon		Reading
	Evening	RO	Arrival Bucharest (BU)
Mo 07/09	Morning	BU, FD	Meeting CA National Environmental Guard (NEG) (Mr. Christian Trupina, Ms. Carmen Idorasi)
		BU, FD	Courtesy meeting with the State Secretary MEWF (Ministry of Environment, Water and Forests); (Mr. Mihail Faca),
	Afternoon	BU, FD	Meeting CA Forestry Division (FD) (Mr. Luchan Mihail Manoiu, Mr. Claudiu Zaharescu, Mr. Gheorghe Ridichie, Mr. Stan Tiberius)
		BU, FD	Meeting National Customs Authority (NCA) (cancelled, due to no show)
	Evening	BU, FD	Reading; preparation SH reflection meeting
Tu 08/09	Morning	BU, FD	Meeting with ASFOR (Mr. Liviu Aurelian Goga, Mr. Alex Bancela)
		BU, FD	Meeting with Ministry of Economy and Trade, Foreign Trade Department (Mr. Radu Zaharia; Ms. Raduca Constantinescu)
	Afternoon	BU, FD	Meeting with Romsilva (Mr. Constantin Corduneanu)
		BU, FD	Meeting with AAP (Mr. Daniel Nicoluescu)
		BU, FD	Meeting with WWF (Mr. Costel Bucur)
		BU, FD	Meeting with CA Forestry Division (FD: Mr. Claudiu Zaharescu, Mr. Gheorghe Ridichie, Mrs. Potilia Popescu)
	Evening	BU, hotel	Preparation SH reflection meeting
We 09/09	Morning	BU, hotel	Preparation SH reflection meeting
	Morning	BU, FD	SH reflection meeting (MEWF: Lacramicra Chiaoru, Roxana Nicolau; NEG: Mr. Christian Trupina, Ms. Carmen Idorasi; FD: Mr. Claudiu Zaharescu, Mr. Gheorghe Ridichie, Mr. Stan Tiberius)
	Afternoon		Travel to The Netherlands
	Evening	NL	Arrival NL
Fr 10/09		NL	Reporting

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Annex 2. Stakeholder suggestions for the future of the FLEGT AP

EUTR implementation

- Facilitate exchanges between CAs to promote harmonization of implementation of the EUTR
- Integrate additional product codes in the EUTR
- Provide better guidance to decrease the level of interpretation

Improving legal framework

- Definition of legality (mutually agreed approach - what is legal in a country may not be in another)
- Setting FLEGT as a priority at national level to be included in poverty strategies or more strategic programs
- Improving of official support of wood-tracking systems at governmental level

Improving institutional framework, if needed

- Control of systematic corruption
- Identification of financial mechanisms to support FLEGT

Forest management and monitoring

- To adequate the system of control
- Emphasis on sustainable forest management – effectiveness/ raising support
- To balance the conflict between nature conservation and economic interests
- Encourage voluntary certification
- Attract public control in sphere of law enforcement and governance

Ensuring participation of all stakeholders

- Encourage development of partnerships

Monitoring, information, reporting

- Improving and making open the information on illegal logging
- Consolidation/coordination between related agencies involved and stakeholders

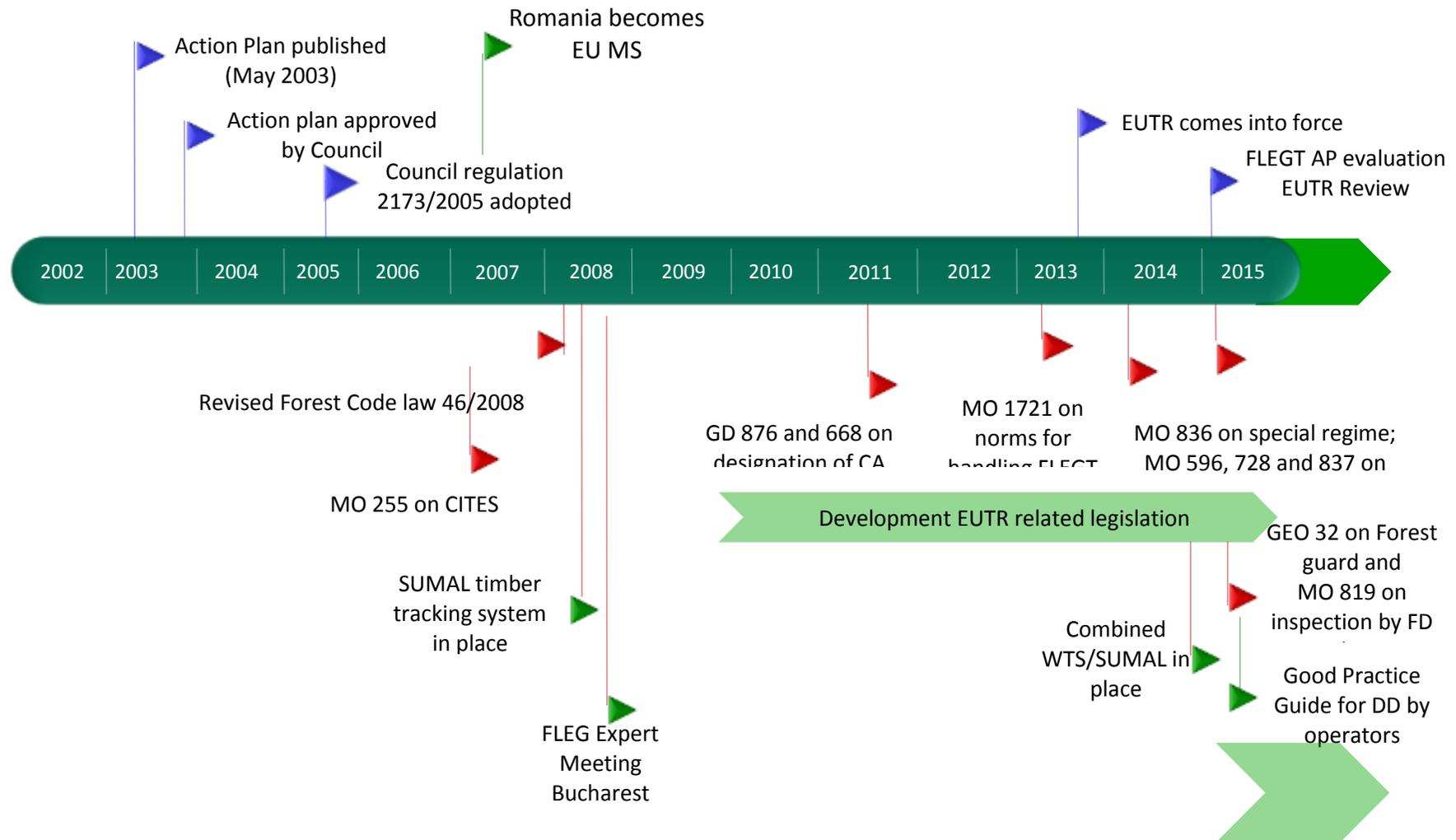


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Annex 3 FLEGT Timeline Romania

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Romania FLEGT timeline



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Annexe 7: Special report on VPAs

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