

Implementing an action plan to tackle timber illegality

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The European Union and FAO are working together to help countries improve forest law enforcement and governance.

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The world has a total forest area of about four billion hectares (ha), which is 31 percent of the total land area (FAO, 2010). This forest estate supports a US\$224 billion global market for timber and timber products (FAO, 2012) and produces a wide variety of other economic, cultural, social and environmental benefits and services that are essential for human survival and well-being. Forests clearly have a vital role to play in a prosperous and sustainable future.

However, human-induced threats continue to undermine forest governance, law enforcement and sustainable management.

Combating illegality in the forest sector requires addressing its underlying causes, such as poverty, weak governance and institutions, and unrealistic legal frameworks

Industrial agriculture, demand for cheap timber, other land uses and a changing climate all add to the burden on the forest estate. Illegal behaviour ranging from petty bribery to extreme acts of timber poaching and money laundering that enrich only a few has blemished the forest sectors of many countries. Globally, the financial loss due to illegal timber activities has been estimated at US\$10–15 billion per year (The World Bank, 2002).

Concerns about illegal timber were raised at the G8 Summit in 1998, when the G8 Action Programme on Forests acknowledged that illegal logging was a serious international problem. Since then, a wide range of action plans has been created and regional activities undertaken, notably through the World Bank with the implementation of the Forest Law Enforcement and Governance (FLEG) initiative.¹ Measures to combat illegality in the forest sector must address its underlying causes, such as poverty, weak governance and institutions, and unrealistic legal frameworks. Improving forest law enforcement and governance will contribute to the development and, ultimately, sustainability of the forest sector.

The aim of VPAs is to improve forest governance by establishing a strong system to trace and verify the legality of timber

THE FLEGT ACTION PLAN

Following the example of regional FLEG initiatives, the European Commission, recognizing a joint responsibility with timber-producing countries to take action to stop illegal timber production and movement within international markets, published the Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan in 2003 (European Commission, 2003). As a major consumer of timber products, the European Union (EU) plays an important role in improving the legality of timber and timber products and their associated trade.

The FLEGT Action Plan focuses the EU's efforts on raising the global capacity of those responsible for improving the mechanisms that govern forest management and the extraction and trade of timber. The FLEGT Action Plan has the following

thematic areas: providing support to timber-producing countries; activities to promote trade in legal timber; promoting public procurement policies; providing support to private-sector initiatives; the use of existing legislative instruments or the adoption of new legislation; and safeguards for financing and investment.

Voluntary partnership agreements

Regulation (EC) No 2173/2005 of 20 December 2005 and *Regulation (EC) No 1024/2008 of 17 October 2008* empower the European Commission to conclude voluntary partnership agreements (VPAs) with

¹ Ministerial conferences in Bali in 2001 and Yaoundé in 2003 adopted declarations whereby participating countries committed to addressing illegal activities in the forest sector.





¹
Countries that are negotiating or have signed VPAs

timber-producing countries. While the decision to negotiate a VPA is voluntary, once it is signed it is legally binding.

The first VPA negotiations started with Ghana and Malaysia in 2006, with Ghana the first country to conclude a VPA. As of October 2012, the EU had signed VPAs with six countries, was negotiating with seven others (Figure 1), and had formally introduced the FLEGT/VPA process in a further 12 countries.²

² VPAs signed: Cameroon, Central African Republic, Congo, Ghana, Indonesia, Liberia; VPAs under negotiation: Democratic Republic of the Congo, Gabon, Guyana, Honduras, Lao People's Democratic Republic, Malaysia, Viet Nam; introduction to VPA or pre-negotiation phase: Bolivia (Plurinational State of), Cambodia, Colombia, Côte d'Ivoire, Ecuador, Guatemala, Myanmar, Papua New Guinea, Peru, Sierra Leone, Solomon Islands, Thailand.

European initiatives on wood procurement

The public sector in EU countries has a significant demand for wood (EFI, 2010). Several EU member states – e.g. Belgium, France, Germany, the Netherlands and the United Kingdom of Great Britain and Northern Ireland – have adopted public procurement policies for timber and timber products that require public purchasers to demonstrate that timber is of legal and/or sustainable origin, and other member states are in the process of developing such policies.

Some local authorities have also adopted procurement policies. For example, the Barcelona City Council adopted, in 2004, a timber procurement policy requiring municipal departments, districts and agencies to ensure that all wood products purchased are from sustainable forestry (Barcelona City Council, undated). Cognac, France, also requires that timber it purchases is from sustainably managed forests (City of Cognac, undated). The European Commission's policy on green procurement indicates that legality should be a minimum requirement for timber products.

In addition to government initiatives, the private sector has taken steps to improve its practices. These include the adoption of voluntary codes of conduct and international standards such as those of the Forest Stewardship Council and the Programme for the Endorsement of Forest Certification; awareness-raising; and changes in the chain of custody to minimize the risk of illegal timber entering the supply chain (Hudson and Paul, 2011).

The aim of VPAs is to improve forest governance and to ensure that only legal timber is traded on the EU market. For countries with a VPA in place, only timber stamped with a FLEGT licence will be allowed to enter the EU market. The process to conclude a VPA involves several steps: building consensus in the country among the various national stakeholders; formal negotiation; signing and ratifying the VPA; developing the system; and implementation.

Each VPA provides for the establishment of a legality assurance system (LAS). Although the contents of VPAs vary by country, certain core elements constituting the LAS are found in each: a definition of legal timber based on the national legal framework of the timber-producing country; a chain of custody; a verification system; the issuance and authorization of FLEGT licences; and independent auditing.

The EU Timber Regulation

Regulation (EU) No 995/2010 of 20 October 2010 (the EU Timber Regulation) prohibits, from 3 March 2013, the placing of illegal timber or timber products on the EU market and provides a list of the products it covers. EU member states are responsible for the implementation of the regulation, and they have designated competent authorities to ensure compliance. The EU Timber Regulation is complementary to VPAs, recognizing FLEGT licences as sufficient to demonstrate that timber is of legal origin.

The regulation requires operators to demonstrate that all timber and timber products entering the EU market are of legal origin, whether the timber is from within or outside the EU.³ Operators must conduct “due diligence” to reduce the risk of placing illegal timber in the market. In other words, they must obtain information on the source of the timber and

take reasonable steps to ensure that the timber supply is of legal origin. They are requested to keep records documenting from whom they bought the timber and to whom they sold it. If there is a high risk of illegal timber, operators must mitigate the risk by requesting additional information and verification from the supplier.

To implement the FLEGT Action Plan the EU supports a global network of FLEGT-related technical assistance. For example, the EU FLEGT Facility was established at the European Forest Institute to provide in-country technical assistance. The ACP-FLEGT Support Programme, discussed below, is also part of this global network.

THE ACP-FLEGT SUPPORT PROGRAMME

With funding from the EU, FAO established the ACP-FLEGT Support Programme to assist stakeholders in countries in Africa, the Caribbean and the Pacific (ACP) to address FLEGT-related issues as defined in the FLEGT Action Plan.

The ACP-FLEGT Support Programme funds projects implemented by local government institutions, non-governmental organizations (NGOs) and private-sector organizations, which may receive up to €100 000 to address locally defined FLEGT-related challenges. All projects must contribute to the implementation of some aspect of the FLEGT Action Plan, such as by building stakeholder capacity, developing timber verification systems, improving transparency and independent monitoring, supporting community FLEGT initiatives, and reviewing and updating relevant policies, legislation or regulations. Often, projects serve to test approaches that can be scaled up to the national level. Since its inception in 2009, the ACP-FLEGT Support Programme has supported 102 projects in 32 countries (or, in some cases, regional organizations).

The three projects described below demonstrate how the Programme is supporting both better forest management and the move to improve forest law enforcement, governance and trade.

Implementing Cameroon's VPA

Cameroon has about 19.6 million ha of forest and is Africa's largest exporter of tropical hardwood to Europe (Anon., 2010). The Government of Cameroon and the EU started negotiations for a VPA in 2007, seeing it as an “important tool to combat illegal logging and promote the long-term goal of sustainable forest management” (Anon., 2010). The VPA was signed in October 2010 and the government is currently developing its LAS.

Communities and NGOs recognize the challenge of monitoring the vast forest area necessary to establish compliance with the VPA and have sought assistance through the ACP-FLEGT Support Programme. In addition to 11 other projects, the Programme is supporting a community forest monitoring test programme managed by *Forêts et Développement Rural* (FODER), an NGO. FODER is raising awareness of forest law enforcement, governance and trade and the VPA in 20 local communities and training community members to monitor forest activities in their traditional forest areas. Equipped with global positioning systems, digital cameras and safety equipment, community forest guards are able to determine appropriate cutting areas and harvesting techniques, and they have gained an understanding of the legal framework under which logging is governed. In the short period in which the project has been operational, community patrols have completed a number of field observations and reported two cases of illegal logging. Although a small initiative, this project demonstrates that, when empowered, communities have the capacity and will to monitor and manage their forest estates and to observe the rule of law. In remote forest areas this can mean significant cost savings for national governments, which are already straining to fulfil other law enforcement commitments.

Community-based FLEGT initiative in PNG

In Papua New Guinea, the implementation of forest-related laws and regulations

³ Operators are defined by the EU Timber Regulation as “any natural or legal person that places timber or timber products on the market”.



Community members receive training on participatory forest monitoring from FODER, a Cameroonian NGO

FODER/R. NGONZO

tends to favour large-scale investments and restrict the meaningful participation of local people in forest management (Blaser *et al.*, 2011); in some cases this has led to conflict between local people, the government and investors (Warner, 2000). The ACP-FLEGT Support Programme is supporting the Foundation for People

and Community Development in Papua New Guinea to educate, empower and organize local people to manage their forest resources. It is doing so by providing communities with training in sustainable forest management and helping them to legally establish their land management claims in traditional territories.

The Chiquibul forest, Belize

Belize has about 1.4 million ha of forest, which is 61 percent of the country's land area. The Chiquibul National Forest comprises almost undisturbed forest and features rare and endangered species such as the tapir, jaguar and scarlet macaw and an important archaeological reserve. It is



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A forest guard notes the location of an illegal cache of timber as part of a monitoring system to curb degradation in the Chiquibul National Forest, Belize

under threat, however, from illegal logging. Recently, Friends for Conservation and Development (FCD), a locally based NGO, has suggested that an illegal logging network worth up to US\$15 million exists in the Chiquibul National Forest (FCD, 2011). Illegal loggers enter with chainsaws and horses to fell and process timber and carry it to the market.

FCD, supported by the ACP-FLEGT Support Programme, has mounted a coordinated effort – including stronger law enforcement and environmental education for local communities – to curb forest degradation in the area. It has trained two forest protection teams comprising the military, police and park officials and is supporting them to patrol the forest. In the short time in which the patrols have been operating they have encountered gunfire,

arrested numerous illegal loggers, and confiscated chainsaws and horses.

Some perpetrators are crossing the border from Guatemala, raising the profile of the problem to the international level. FCD and members of the Government of Belize have opened a dialogue with Guatemalan authorities to address the timber-smuggling network.

THE NEXT PHASE

Significant progress towards the implementation of the FLEGT Action Plan has been achieved in recent years through various interventions. With the approaching entry into force of the EU Timber Regulation, FAO is reviewing the approaches, success factors and challenges in the implementation, in the last three years, of the FLEGT Action Plan. To this

end, the ACP-FLEGT Programme, in partnership with the Forestry Commission of Ghana, the EU FLEGT Facility and the IDLgroup, convened, in October 2012 in Accra, a regional conference on experiences from the VPA process in West and Central African countries. This conference, which was attended by about 130 participants from VPA-involved countries in Africa and other regions, enabled participants to share and discuss experiences, opportunities, successes and challenges and to identify the path forward for the VPA process. A compendium highlighting 16 experiences and the lessons learned was also released. A collaborative study by FAO and the EU FLEGT Facility is under

EU-FAO FLEGT Programme

The EU-FAO FLEGT Programme is a 4-year initiative that started in May 2012, funded by the EU and implemented by FAO. It is a follow-on programme to the ACP-FLEGT Support Programme and has two components:

- project support to local stakeholder groups in developing countries to put the FLEGT Action Plan into practice; and
- information services.

The EU FAO FLEGT Programme provides assistance to three stakeholder groupings in eligible countries: government institutions, civil-society organizations and private-sector organizations. Assistance is based on:

- calls for proposals for the three stakeholder groupings; and
- direct assistance requested by government institutions.

The Programme has separate approaches by which VPA and non-VPA countries may apply for assistance. It aims to increase the availability of FLEGT-related information and knowledge and experiences among local stakeholder groups by supporting actions to improve understanding of the FLEGT Action Plan and forest law enforcement, governance and trade more generally.

way to draw lessons from the experiences so far and to improve the clarity of VPAs, address loopholes and provide guidance for other VPA processes.

The ACP-FLEGT Support Programme recently moved into a second phase (called the EU-FAO FLEGT Programme, see box) that has two foci: the needs of countries entering into VPAs; and those developing countries that are still formulating forest law enforcement, governance and trade strategies. Consistent law enforcement, improved governance and assurances of legality, as developed through the FLEGT Action Plan, are part of the foundation that must be laid if forests are to be truly sustainable. ♦



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