

The background of the slide is a stylized illustration of a forest. It features several tall, thin evergreen trees of varying heights and shades of green, set against a light, hazy sky. The foreground consists of dark green, rolling hills or mounds of earth. The overall aesthetic is clean and modern, with a focus on natural elements.

Forest Law Enforcement, Governance & Trade Voluntary Partnership Agreements 2.0

Looking back & at options for the future

Fern

Purpose of Voluntary Partnership Agreements 2.0

A response to European Commission's Forest Law Enforcement, Governance & Trade (FLEGT) & European Union's Timber Regulation (EUTR) fitness check public consultation (Sept – Nov 2020), which **underrepresented non-European voices.**

Attempt to distill **perspectives from Voluntary Partnership Agreement (VPA) countries** & extrapolate principles and proposals for reform.



Three parts to the VPA 2.0 study

Part 1: FLEGT VPAs and their impact

Part 2: FLEGT and the deforestation-free regulation, principles for interactions

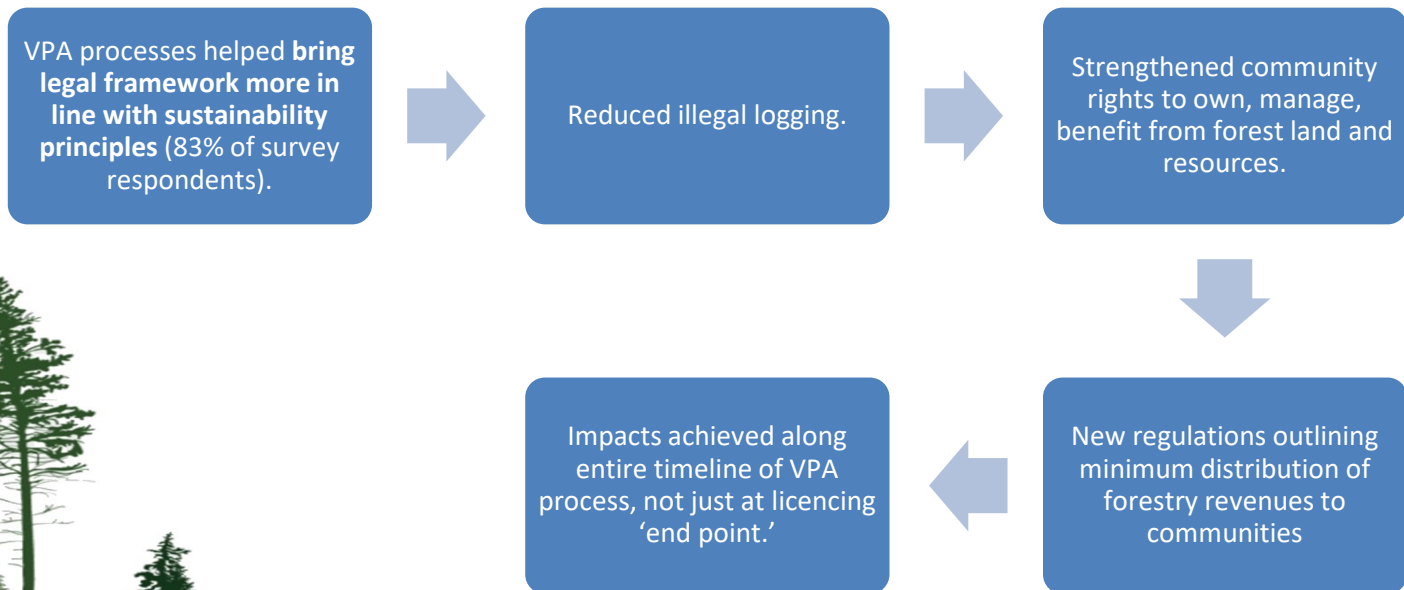
Part 3: Challenges to the FLEGT VPA theory of change, options for reform.

FLEGT (Forest Law Enforcement, Governance and Trade)
VPA (Voluntary Partnership Agreement)



The Impact of the EU FLEGT Action Plan

FLEGT VPA processes contribute to creating an enabling environment **for a more sustainable forest sector, ecologically, socially and economically**



FLEGT (Forest Law Enforcement, Governance and Trade)
VPA (Voluntary Partnership Agreement)

The EU FLEGT Action Plan – different definitions of success

Primary indicator: Reduction in illegal logging

Secondary indicators:

Respondents from VPA countries emphasise national changes; governance, legal clarity & coherence, reduction in illegal timber on domestic and export markets.

EU respondents emphasise volume of illegal timber and number of FLEGT licences placed on EU market.

“it seems the original intent of an instrument supporting development and environment, as well as trade, has withered to focus very largely on trade.” - survey respondent # 39

Interactions between FLEGT VPA and deforestation-free regulation – highlighting two challenges.

- **Timber is not an agricultural crop.**

Unsustainable logging results in severe degradation, not immediate deforestation. Defining and identifying degradation is complex, will require significant ground-truthing.

- **The EU's standing as a good international partner is at stake.**

VPAs are legally binding bilateral trade agreements which commit the EU to providing a country with green lane access to timber markets, in exchange for partner countries developing and effectively implementing a robust, broadly endorsed, system for assuring timber legality.

What happens when the promise of automatic green lane access is unilaterally revoked?



Principles for preserving the best elements of VPAs in integrated policies.

1. **Maintain EU's standing as a 'good partner.'** VPAs are legally binding trade agreements, into which both sides have committed considerable resources.

“the VPA is a partnership between EU and the producer countries based on trust or at least respect. If EU starts to doubt the process...then producer countries are entitled to question EU motivations and the investments both parties have made during all these years.” – survey respondent # 31

2. **Make use of existing multi-stakeholder structures.**
3. **Clear incentives are needed to bring people to the table.**



Principles for preserving the best elements of VPAs in integrated policies.

4. Effective processes must be domestically owned.

“We should start to accept that deforestation policies / development pathways may look different in producer countries than we wish but transparency and participation of civil society and private sector will contribute to in-country debate about sustainable development.” – survey respondent #44

5. Legally binding agreements (with clear consequences for transgressions) give the EU the legitimacy to weigh-in on domestically owned processes.

6. Maintain ambition to affect forests beyond the EU’s immediate footprint. VPAs have allowed the EU to ‘punch above its weight’.



Challenges to FLEGT theory of change, options for reform

Three core challenges identified to ongoing relevance of FLEGT Action Plan.

- Declining role of logging as a global deforestation driver, and reduced focus in deforestation & climate policies.
- Declining importance of EU in global tropical timber trade. Rise of local, regional and other global consumer markets.
- Rise in 'FLEGT fatigue', especially among Brussels-based EU actors.

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The challenge: Illegal logging is no longer the major driver of deforestation, and in many countries the forestry sector is too small to be an effective entry point for affecting forests overall.

Views from civil society in VPA countries: - logging is worth tackling for its own sake, and VPA processes are relevant for forest sector more broadly.

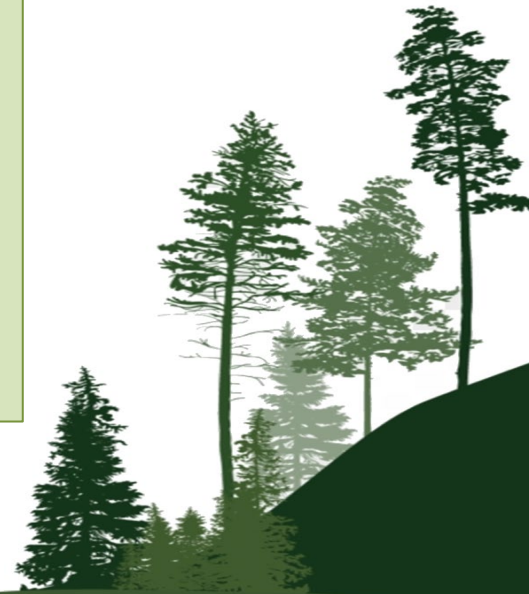
Aim of FLEGT is to reduce illegal logging – this should remain a key indicator of success

FLEGT VPAs are relevant to tackling deforestation linked to agricultural conversion (60% agree).

Challenges to FLEGT theory of change, options for reform

1. Integrate VPAs into broader policies and international commitments.
2. Link FLEGT licences to the benchmarking system being developed in the zero-deforestation regulation.
3. Revisit the baseline minimum standards in VPAs to emphasize sustainability.
4. Place VPAs and VPA-like agreements for agricultural commodities at the heart of the EU's new 'forest partnerships', which build on each other.
5. Address human resources and funding issues.
6. Encourage global recognition of licences through equivalence scheme.

These options could dovetail into a version of forest partnerships that produce **a sequenced approach to improving governance across multiple sectors** linked to forest destruction, structured around jointly (EU and producer country) agreed due diligence risk benchmarks and adopting an approach to domestically-owned but internationally legitimate understanding of 'sustainability', embedded in a national legal framework.



Options for reform

The political feasibility, and overall impact of these options will be influenced by how FLEGT interacts with the deforestation-free regulation.

Note the rankings below have not been validated and are intended as a point of departure for discussion only.

Strengthening relevance of VPAs, given declining role of timber globally and in deforestation and forest policies.

Policy options	Compatibility with zero deforestation policy	Impact on forests / forest governance	Political feasibility
Integrate FLEGT into broader policy spaces	high	high	medium
Link FLEGT licences to DDR benchmarking	high	medium	high
Revisit the baseline minimum sustainability standards in VPAs	high	medium	medium
Place VPA-like agreements at heart of partnership approach	high	high	medium

Strengthening relevance of VPAs given declining importance of EU as a timber market, and growing prominence of domestic and regional markets

Policy Options	Compatibility with zero deforestation policy	Impact on forests / forest governance	Political feasibility
Encourage global recognition of licences through equivalence scheme	medium	medium	medium
Shift management and negotiation of VPAs and FLEGT to global platform	low	high	low
Tap in to local and regional public procurement policies	medium	medium to high	high

Reinforcing support for the underlying intervention logic.

Policy Options	Compatibility with zero deforestation policy	Impact on forests/forest governance	Political feasibility
Go public with progress, and adapt monitoring systems accordingly	high	high	medium
Go back to basics when implementing VPAs – land tenure	??	high	medium
Establish more robust succession systems within EC	medium to low	medium	low

Thank you!

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**FLEGT VOLUNTARY
PARTNERSHIP AGREEMENTS 2.0**

A RESPONSE TO THE EUROPEAN COMMISSION
FLEGT FITNESS CHECK, AND OPTIONS FOR THE FUTURE