

'European and Global Forests, which way for the future'

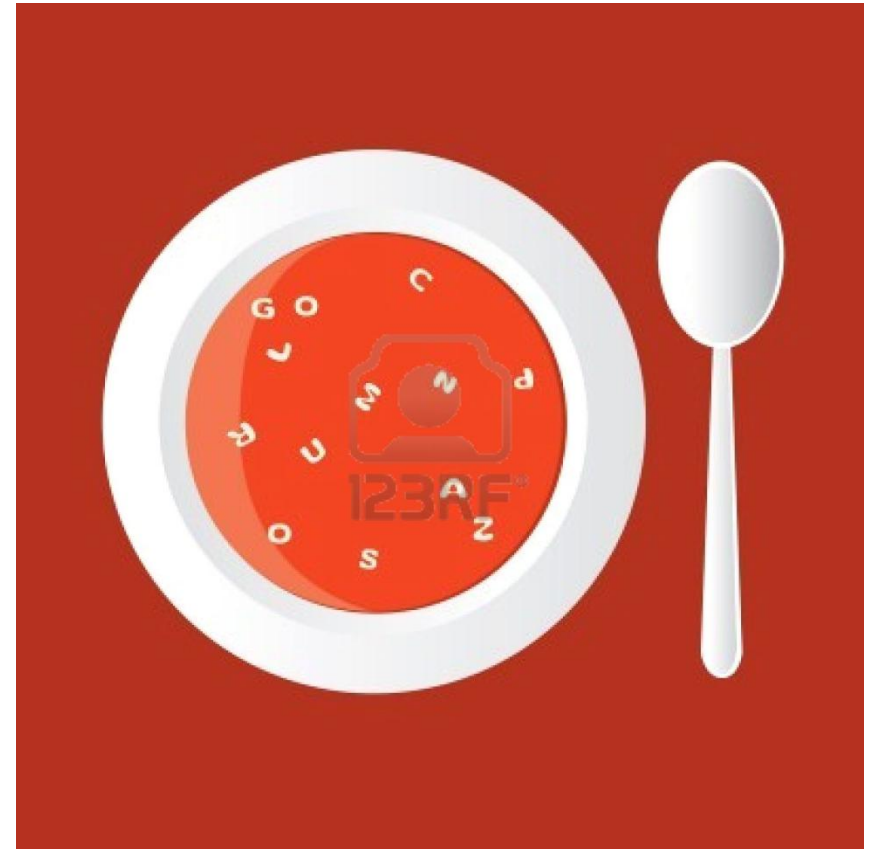
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'An alphabet soup'

- FLEGT: Forest Law Enforcement, Governance and Trade.
- VPA: Voluntary Partnership Agreement.
- REDD: Reduced emissions from Deforestation and Degradation.



What are FLEGT VPAs?

They are **V**oluntary
Partnership **A**greements.

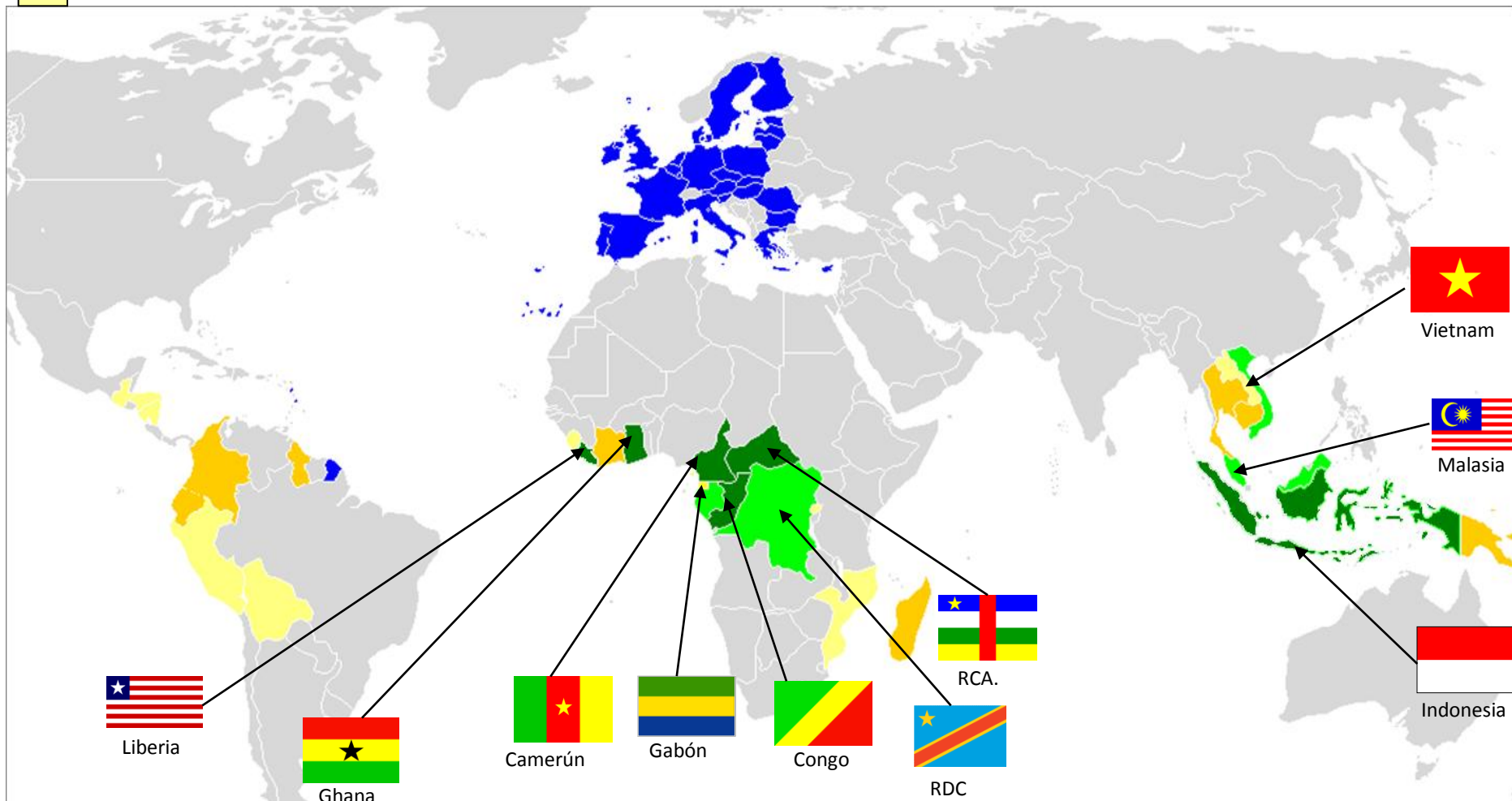
They are legally binding
bilateral trade agreements
which set out the
commitments and action
that the EU and timber
exporting countries will
take to tackle illegal
logging.



LOGGINGOFF is a joint initiative by NGOs from European and timber-producing countries involved in or monitoring the implementation of the EU FLEGT Action Plan, and specifically the implementation of the Voluntary Partnership Agreements.

FLEGT partner countries

- FLEGT licenses (do not exist yet)
- Implementation of the system
- Formal negotiations
- Towards negotiations
- Preparation, developing consent
- Introduction on VPAs



Objectives, more than.. logging

The EU Council Conclusions on FLEGT (2003/C 268/01) note that the VPAs must, among others, “*instigate forest sector governance reforms, more specifically they should:*

- *strengthen land tenure and access rights especially for marginalised, rural communities and indigenous peoples;*
- *strengthen effective participation of all stakeholders, notably of non-state actors and indigenous peoples, in policy-making and implementation;*
- *increase transparency in association with forest exploitation operations, including through the introduction of independent monitoring;*
- *reduce corruption in association with the award of forest exploitations concessions, and the harvesting and trade in timber”.*



Elements

A VPA includes three main elements:

- a) **Defining legality**, or deciding which laws will be enforced for the purpose of the agreement
- b) Developing a **Legality Assurance System (LAS)** (including timber tracking, government legality controls, and systems to verify the legality of the timber)
- c) **Independent audits** of the whole system, to ensure credibility of the export licenses.



The contents of a typical VPA



Main text	Around 30 Articles establishing the agreement principles and structures
Annex 1	Product scope (which timber products are covered by the agreement)
Annex 2	Legality definition (the set of laws whose enforcement will be monitored prior to awarding a FLEGT license)
Annex 3	Description of the Legal Assurance System (LAS)
Annex 4	Conditions for the import of timber products into the EU from the FLEGT partner country
Annex 5	FLEGT License (demand, delivery, validity and other conditions)
Annex 6	Terms of reference for the Independent Auditor of the system
Annex 7	LAS Assessment Criteria (criteria to determine the functioning of the system)
Annex 8	Implementation Schedule
Annex 9	Accompanying Measures (list of measures needed to ensure a good implementation of the agreement)
Annex 10	Information (list of documents that will be placed on the public domain)
Annex 11	Functions of the EU-FLEGT country Joint Implementation Committee



Clear successes.....before FLEGT timber has entered the EU

- Communities need to give written consent before logging (Ghana).
- Adoption of an indigenous peoples law (RoC).
- Strengthened capacity of CSOs in all VPA countries – except Malaysia and co-operation between them.
- Land tenure issues and corruption are ‘on the table’.



FLEGT is most promising EU tool

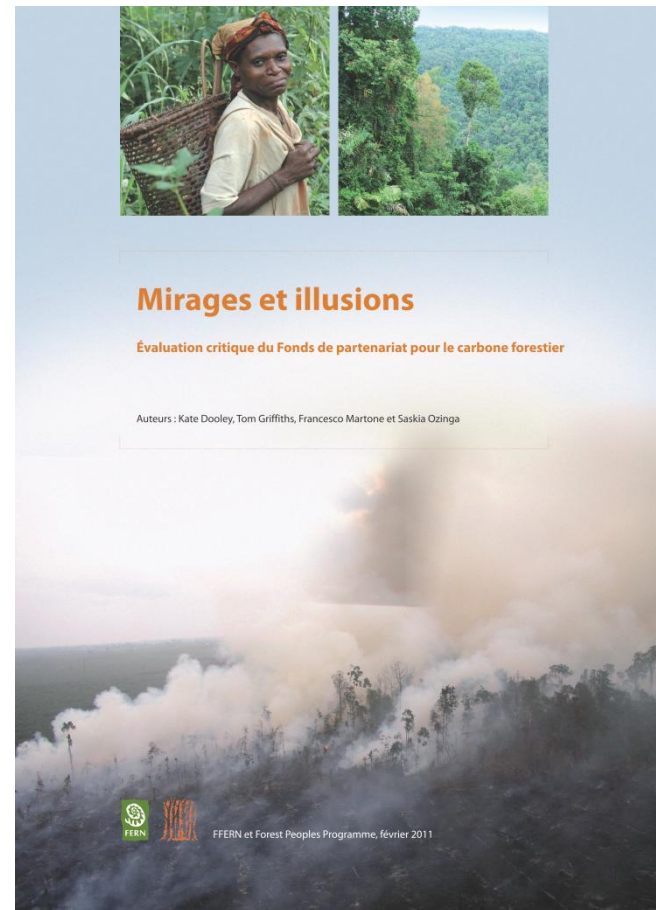
- It addresses **one of the direct causes** of forest loss: (illegal) logging.
- It addresses **some of the underlying causes** of forest loss and bad forest management: (1) unclear or unjust policies or laws, (2) corruption and (3) lack of clarity concerning tenure rights.
- **It improves forest governance** by (1) capacity building of all stakeholders, (2) increasing transparency, (3) improving coordination, (4) effective participation and (5) accountability.

What about REDD?



A 'carbon' focused 'REDD' will be ineffective for forests, forest peoples and the forestry sector

1. It will not lead to emission reductions, and hence forests will be lost.
2. It will provide incentives to steel, cement and aluminium sectors and undermine the forestry sector.



Forests and Climate change

- EU position: temperature increase should be restricted to 2 degrees.
- IPCC and EU state that therefore we need to reduce GHG emissions by up to 95 percent.
- Even then we only have a fifty percent chance to not overshoot the 2 degrees.
- Tropical forests (Amazon) will start to die back above 2 degrees.

Offsetting does not lead to emission reductions but emissions replacement.

- To keep forests standing we need to reduce GHG emissions by up to 95%.
- To reduce emissions, we need to keep forests standing, as they contribute 12-17% to CO2 emissions.
- Carbon offsetting is problematic: it only replaces emissions it does not reduce emissions.
- Carbon offsetting (and hence carbon trading and hence 'carbon' REDD) is no solution to keep (tropical) forests standing.

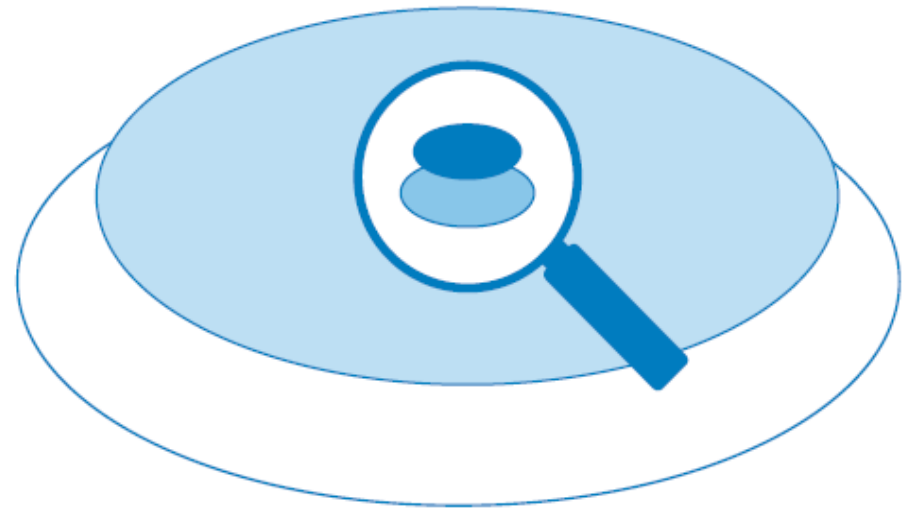
People/governments think there will be large amount of **money** for forests from REDD carbon credits.

Prediction: there will be no large amounts of money for forests from the global carbon market

'Global' carbon market

Data from World Bank 2011 'state of carbon markets' report.

- 97% of 'global' carbon is the EU ETS and secondary CDM.....Hence, there is no global carbon market.
- CDM 1.5 billion down by 55% on 2010
- EU uses ETS to outsource its reduction commitments and subsidise its most polluting industries.



□ Size of the carbon market: US \$ 141.9 billion

■ EU ETS: US \$ 119.8 billion

In the magnifying glass (enlarged 8x):

■ Primary Clean Development Mechanism (CDM):
US \$ 1.5 billion

■ Other offsets: US \$ 1.2 billion

No 'real' money for forests from compliance carbon market.... very little from voluntary market.

Compliance market (big...)

- Consists of EU ETS.
- EU ETS will not and should not incorporate forests.

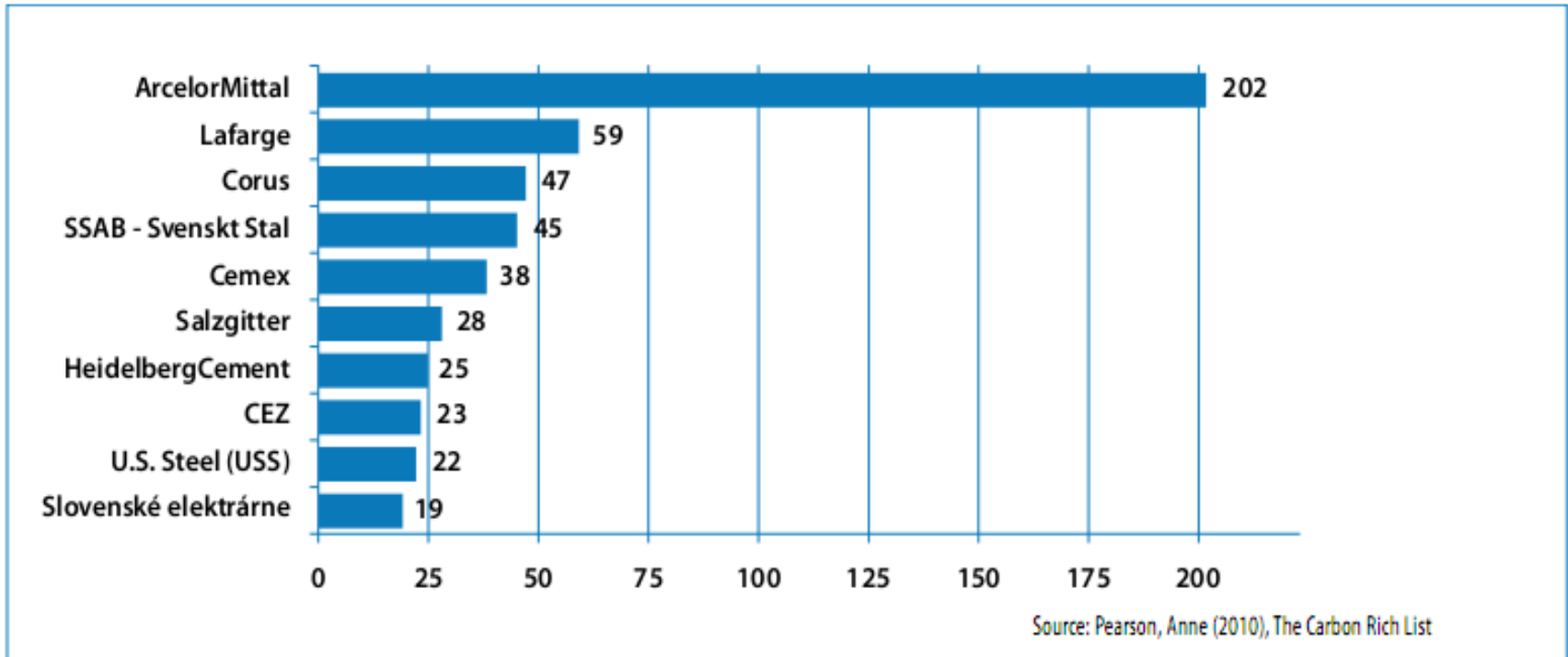
Hence.....

- There will not be a forest carbon market.
- Even if there will be, it will not deliver funds expected for forests.

Voluntary market (small..)

- Around 30% goes to REDD type projects, roughly 140 million/year (of which 50 to conservation).
- Of which 42% went to North America and around 26 % to Africa (2010).
- There are some good standards in place but it still lets Northern companies off the hook.

Carbon trading undermines the forestry sector. Who benefits?



Value of spare permits held in 2008 by the ten most profitable companies (millions Euro)

It is early days but.....

- The EU FLEGT Programme focuses on improving forest governance which seems to work.
- The FLEGT Programme has adopted a high standard of consultation and hence all VPAs are supported by local CSOs.
- The FLEGT Programme aims to address 'difficult issues' such as land tenure rights, corruption and includes a lot of checks and balances....
- The FLEGT Programme aims to address demand and supply side.
- On the ground impact should be evaluated in next five years. And for REDD ??????

Best practice and solutions.....

- Reduce GHG emissions. **Energy saving and energy efficiency policies are priority.**
- ‘Solutions’ that don’t take into account the lack of arable land will exacerbate the pressure on forests. This includes current EU bioenergy policies. **EU should remain within its ecological footprint.** (Drop biofuel target)
- The EU FLEGT Programme (FLEGT VPAs) is the most promising EU tool for tropical forests. **Focus on implementation and consider expansion** to other processes and commodities (REDD and including palmoil).
- **Take ‘carbon’ out of REDD and re-focus on measuring governance,** in practice (not only on paper).



LOGGINGOFF

Online
resource for
information
on VPAs

You will also find more information about FLEGT VPAs and other related issues at www.loggingoff.info and www.fern.org

If you would like further information about the FLEGT action plan and how it is being implemented, please contact

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LOGGINGOFF

The online resource for information on
Voluntary Partnership Agreements



For more information:

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Thank You!

