



16 December 2015

Promoting and reinforcing good forest governance through the FLEGT VPA and the EU-Vietnam FTA

Joint statement by Fern and the VNGO network:

On 2 December 2015, the President of the European Commission, Jean-Claude Juncker, the President of the European Union, Donald Tusk, and the Prime Minister of Vietnam, Nguyễn Tấn Dũng, issued a press statement welcoming the conclusion of the negotiations of a European Union-Vietnam Free Trade Agreement (FTA). They also reaffirmed their determination to conclude negotiations for an EU-Vietnam Voluntary Partnership Agreement (VPA) promoting sustainable and legal timber trading, under the EU's Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan by the end of 2016.

We would, however, like to remind the EU, its Member States and the Government of Vietnam that the only way to guarantee legal and sustainable timber trade in the future is through improving forest governance, and that the VPA negotiations can play a role in this. We urge you to consider this before concluding the EU-Vietnam VPA negotiations, and encourage you to make effective use of the chapter on Trade and Sustainable Development included in the FTA so that both trade agreements reinforce each other and benefit Vietnamese forest-dependent communities.

To succeed, the VPA must be developed through consensus, with the full and informed consent of all stakeholders. It must tackle corruption, recognise communities' tenure rights and set up enforcement mechanisms. Not only must the VPA entrench good governance practices in the structures and systems that come out of it, it must also be seen to do so. The role of independent monitoring of the VPA is therefore crucial.

The credibility of the EU-Vietnam FTA – presented as a “new model for trade policy with developing countries” by EU Trade Commissioner Cecilia Malmström - will depend on its contribution to supporting the sustainable management of natural resources and promoting human rights, and on the capacity of civil society to monitor the commitments made by both parties under the chapter on Trade and Sustainable Development. For that purpose, it is crucial to take into account the lessons learned from the VPA process and address some serious challenges.

In terms of lessons learned, the VPA process has demonstrated that well organised and experienced civil society organisations can be recognized by the Vietnamese Government and play a role in formulating and reforming policy to support governance improvements in the forest sector. The VPA process has also contributed to strengthening land rights for smallholders.

However, some challenges need to be tackled. The process still lacks effective consultation, and access to information is limited; the roles of civil society organisations (CSOs) are not institutionalised in the VPA process and thus grassroots voices and recommendations are not being formally recognized nor channelled to the central level on a regular basis.

Furthermore, for its credibility, the VPA should provide a legal framework for independent forest monitoring; including by CSOs, but so far no clear and formal role has been given to Vietnamese civil society organisations for this. The VNGO network has been conducting a vast consultation process with forest communities, particularly around their capacity to take part in independent forest monitoring. They are therefore particularly well placed to provide an important contribution to the VPA negotiation and monitoring, to ensure the views and interests of households engaged in the timber sector are brought to the table.

Improved transparency and the effective participation of *all* stakeholders are critical for a credible VPA and FTA to have a chance of providing just and equitable solutions for forest peoples.

We recommend that:

- **The Government of Vietnam** formally acknowledges the legitimate contribution of Vietnamese CSOs in the VPA process and provides them with a clear and formal role in independent monitoring.
- **The EU and its Member States** make CSOs' participation a priority before concluding the VPA agreement. Civil society organisations stand ready to contribute to the efforts to promote sustainable and legal timber trade through improved forest governance.