



FLEGT Briefing Notes

Forest Law Enforcement, Governance and Trade

A timber legality assurance system

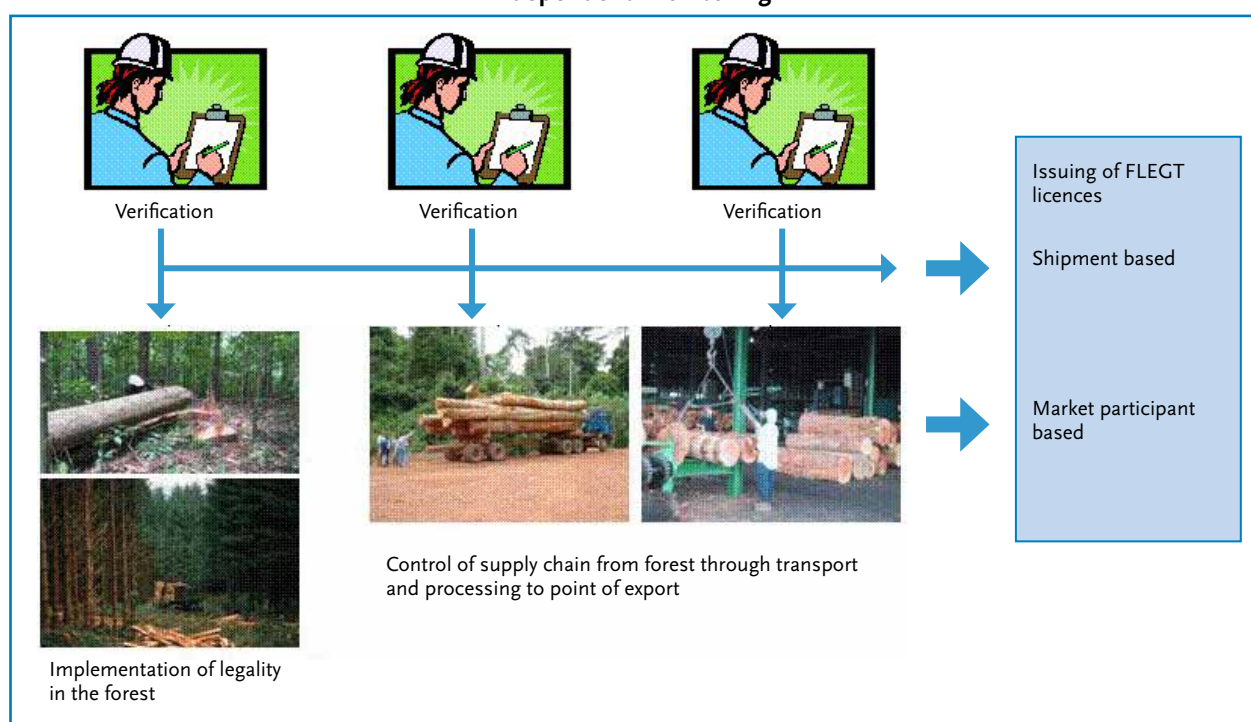
1 Background

The European Union's Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan identifies a range of measures to address the problem of illegal logging and related trade. The Action Plan places particular emphasis on governance reforms and capacity building in timber-producing countries. This is supported by actions aimed at reducing the trade and use of illegally-harvested timber and promoting the use of legally-harvested timber in the EU. The EU proposes to do this through Voluntary Partnership Agreements (VPAs) between the EU and timber-producing countries where illegal logging is a problem (see Briefing Note 6).

The titles of the eight briefing notes in this series are:

1. What is FLEGT?
2. What is legal timber?
3. A timber legality assurance system
4. Control of the supply chain: Wood tracing systems and chain of custody
5. Legality assurance systems: requirements for verification
6. Voluntary Partnership Agreements
7. Guidelines for independent monitoring
8. Market participant-based legality assurance and FLEGT licensing

Independent Monitoring





An important part of each VPA will be establishment of a licensing scheme to ensure that only timber products that have been produced in accordance with the national legislation of the exporting country are imported into the EU. Under the licensing scheme, import into the EU of timber exported from a Partner Country will be prohibited unless the timber is covered by a valid license. However, trade in timber products from non-partner countries will be unaffected.

2 Elements of a legality assurance system

The purpose of a legality assurance system (LAS) is to provide a reliable means to distinguish between legal and illegally produced forest products. Issuance of licenses by Partner Countries requires a system for ensuring that only legally-produced timber is licensed for export. This must include checks of forest operations and also control of the supply chain from harvesting to export. Such a legality assurance system includes five components:

A definition of legally-produced timber: A standard that sets out clearly which laws of the Partner Country must be met and provides criteria and indicators with which to test compliance with these laws (see Briefing Note 2).

Control of the supply chain: Requirements for systems to trace wood products through the production chain from harvesting to the point of export (see Briefing Note 4).

Verification: Requirements for verification of both compliance with the legality definition and control of the supply chain (see Briefing Note 5).

Issuance of licenses: Details of who will issue licenses and how it will be done

Independent monitoring of the systems by a third-party: A way to provide credibility by ensuring that all requirements of the LAS are being implemented as prescribed.

3 Developing legality assurance systems

In many Partner Countries some elements of an adequate legality assurance system already exist. However all aspects may not be operating effectively. In these

cases, the Partner Country will need to implement changes to ensure their existing systems guarantee legality and provide reliable tracking of timber products. In other cases, where existing systems are very limited or do not function adequately, new systems will have to be introduced.

It is anticipated that, in most cases, Partnership Agreements will be negotiated and come into force before legality assurance systems are fully operational and the licensing of timber products commences. A key component of a VPA will be a detailed plan that sets out clearly defined time-bound actions for developing the LAS and implementing the licensing scheme. The VPA will identify areas in which there is a need for technical and financial assistance to support these actions (see Briefing Note 6).

4 Implementing legality assurance systems

There are two approaches to developing and implementing legality assurance systems: shipment-based and operator-based.

Shipment-based licenses: Each consignment of timber products to be exported to the EU is individually licensed by the Licensing Authority. This approach, in which a Licensing Authority checks evidence of legal origin supplied for each shipment, will generally require a national control system to be in place which meets the requirements for legality assurance systems.

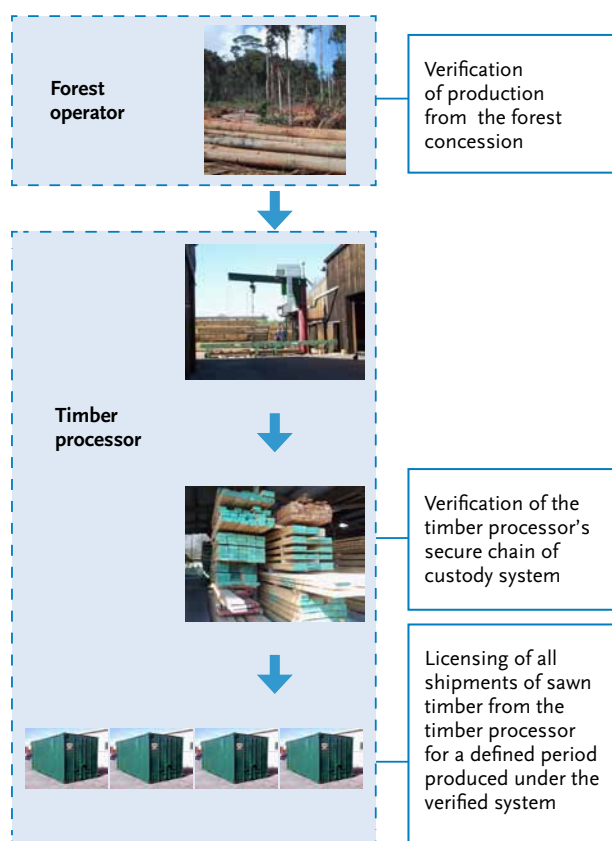
Operator-based licenses: The Licensing Authority ascertains that a particular operator has a system to control the legal origin of all wood that meets the requirements for legality assurance systems. All shipments from the operator would be covered by FLEGT licences as long as periodic audits showed that the approved system remained effective. In this case, there is considerable scope for recognising a variety of existing systems being used by operators such as certification schemes and wood tracing systems. In such cases it would be necessary for these systems to be periodically checked by the Licensing Authority to ensure they meet the requirements for legality assurance systems.

In some Partner Countries it will be possible to develop and implement a legality assurance system on a country-wide basis. It is anticipated, however, that at least in the short term, systems are more likely to be limited in their scope – perhaps geographically or to



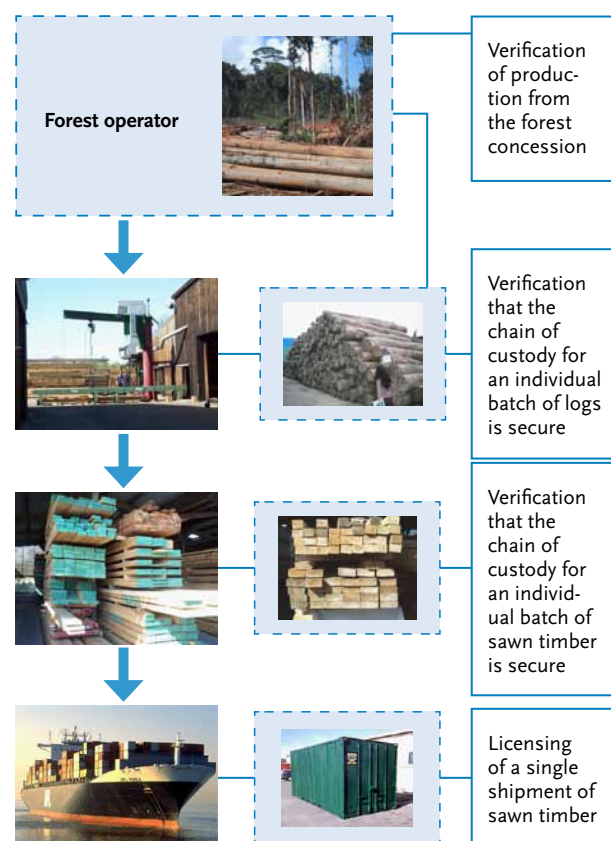
key supply chains exporting to the EU. While this may be appropriate as an initial stage, the EU will encourage Partner Countries to expand the application of its legality assurance systems to all its exports as well as the domestic market.

Monitoring overall operation of each Partner Country's legality assurance system will be a key responsibility of a Joint Implementation Committee (JIC) comprising representatives of the Partner Country government and the EU (see Briefing Note 6).



Operator-based licenses

Figure 1: Operator-based licenses



Shipment-based licenses

Figure 2: Shipment-based licenses



FLEGT Briefing Notes are prepared by an expert group convened by the European Commission and are intended to inform discussion of the EU FLEGT Action Plan. They do not reflect official positions. They are intended to provide useful information for potential FLEGT Partner countries and others with an interest in the initiative. (March 2007)