
FLEGT Voluntary Partnership Agreement Between Cameroon and the European Union

Briefing Note

May 2010



Common efforts to ensure and promote
legal timber trade and good stewardship
of the forest sector



Illegal logging has a devastating impact on some of the world's most valuable remaining forests and on the people that live in them and rely on the resources they provide.

The European Union's response to tackle illegal logging is set out in the Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan, which was published in 2003. The cornerstone of this policy is the FLEGT Voluntary Partnership Agreement (VPA).

WHAT IS A VPA?

The FLEGT Voluntary Partnership Agreement (VPA) is a bilateral agreement between the European Union (EU) and wood exporting countries, which aims to improve forest governance and ensure that the wood imported into the EU has complied with the legal requirements of the partner country.

Although there is no obligation for any country to enter into a VPA with the EU, once agreed they are legally binding on both parties, committing them to trading only in wood products that can be verified as legal. Under these Agreements, exporting countries develop systems to verify the legality of their timber exports to the EU. The EU supports partner countries to establish or improve systems which verify legal compliance.

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Lara Ricci*



The Government of Cameroon and the European Union have concluded negotiations of the FLEGT Voluntary Partnership Agreement on 6 May 2010.

BACKGROUND

Cameroon has approximately 19.6 million hectares of forest, which is almost half of its national territory. Most of this forest area (12.8 million hectares) has been permanently allocated to long-term forest production or conservation. A further 1.4 million hectares of forest are intended for community forestry. To date there are 238 community forest areas.

The forest sector is important for Cameroon's national and local economies, contributing annually FCFA 41 billion (EUR 62.5 million) or 6% to gross domestic product (GDP). Annual timber production is roughly 2 million m³.

Cameroon is Africa's largest exporter of tropical hardwood to Europe. The EU is Cameroon's main market for sawn timber (80%) which goes particularly to Italy and Spain. The large-scale forest operations are dominated by European companies.

VPA OBJECTIVES AND PRODUCT SCOPE

The Voluntary Partnership Agreement (VPA) aims to strengthen forest governance, promote Cameroonian timber products, and improve the country's competitiveness in the international marketplace. In addition, the VPA will strengthen capacity of Cameroonian forest stakeholders and encourage investment in sustainable management of the forests.

The VPA provides the necessary framework of legislation, systems, controls, and verification procedures to ensure that all timber imports from Cameroon into the European market have been legally acquired, harvested, transported and exported. Legal compliance of timber will be shown through a FLEGT license issued for each shipment. The EU border control authorities will permit import only if shipments are covered by such a license.

The Agreement sets forth Cameroon's intention to ensure legal compliance – for all export and for all timber traded nationally. Wood in transit will be captured by a traceability system that will ensure this wood does not mix with Cameroonian sources.

The FLEGT licensing system aims to issue its first FLEGT licenses in 2012.

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Jade Saunders*



The Cameroonian Government and the EU see the VPA as an important tool to combat illegal logging and promote the long term goal of sustainable forest management.

THE VPA PROCESS

The VPA negotiations between Cameroon and the European Union started in November 2007 and have gone on for over 2 years. The Cameroon team included representatives from different Ministries, Parliament, as well as the private sector and civil society. On the EU side, the negotiations were led by the European Commission with active participation of Member States, in particular Germany.

CAMEROON'S LEGALITY DEFINITION

Cameroon developed its definition of legal timber through a multi-stakeholder process. This helped to ensure a clear, verifiable and practical definition. The country's legality definition is framed around 5 criteria covering essential aspects of forest production and processing. These criteria cover: (1) administrative/fiscal obligations, (2) harvesting, forest management, and processing operations; (3) transport; (4) social; and (5) environmental obligations. These criteria are based on Cameroonian law and not on the European law. For each criterion, indicators and verifiers have been identified to demonstrate compliance. Once compliance is assured, a 'certificate of legality' is issued, valid for either one year or 6 months. This certificate forms one part of the requirements for the FLEGT license.

CAMEROON'S LEGALITY ASSURANCE SYSTEM

Cameroon will develop a Legality Assurance System (LAS) that will provide a means to distinguish between legal forest products and those that are of illegal or unknown origin. The system is based on:

- Verification of legal compliance following defined indicators and criteria;
- National forest monitoring;
- National regulation and control of forest activities;
- Verification of legal compliance along the supply chain from forest to port;
- Issuance of FLEGT licenses;
- Independent Audit of the LAS system.

The LAS system applies to all sources of timber and timber products produced, acquired and/or in circulation in Cameroon. This includes wood imported into Cameroon.

The Government's Forest Ministry (MINFOF) will oversee the entire control and verification operations at Headquarters, working closely with regional and departmental forestry offices and logging company operators. They will coordinate with other government agencies involved in regulation of forestry operations, particularly the Ministry of Finance, the Ministry of Environment and the Ministry of Labour. The issuance of FLEGT licenses will be the responsibility of MINFOF.

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VPA IMPLEMENTATION & ACTORS

The implementation of the VPA will be facilitated, overseen, and evaluated by the Joint Implementation Council and the Joint Monitoring Committee.

The Joint Implementation Council will be made up of two representatives of each Party, the EU and the Government of Cameroon. The task of this Council will be to oversee and make the necessary decisions regarding all aspects of the Agreement. The Council will publish an annual report detailing the activities, progress, and statistics surrounding the Agreement.

A Joint Monitoring Committee working under the authority of the Joint Implementation Council, will monitor VPA implementation. It will facilitate more regular dialogue and information exchange between the two Parties and inform the Joint Implementation Council. Cameroon has indicated its intention to continue drawing on civil society and will invite its participation. The Committee will meet at least two times a year and will make recommendations to the Council.

To guide implementation of the VPA, Cameroon will continue its multi-stakeholder platform that was established to guide negotiations. A national stakeholder committee will be established to continue the process of stakeholder consultation and involvement in the VPA. The Government of Cameroon sees this function as a fundamental element of its sector management.

COMMITMENT TO TRANSPARENCY AND INFORMATION EXCHANGE

The Agreement furthers both Cameroon and Europe's objective to promote transparency and information exchange in the forest sector by ensuring the full text of the Agreement and all of its Annexes will be made public.

In addition to the Agreement, Cameroon will ensure all legislation and information confirming compliance described in the legality definition, forest production, concession contract, allocation information, harvesting, processing and management documents and data, financial revenue data, export information, verification and control reports and processes, audits, and the institutional framework of the forestry sector—all will be made available to the public.

Cameroon has developed a comprehensive communication plan to ensure that an interactive dialogue develops educating, listening, and promoting information to targeted stakeholders and target groups.

INDEPENDENT AUDITS

The Agreement introduces third party audits of the entire Legality Assurance System, which will help improve it and ensure its efficiency, provide assurance to all interested parties and thus establish credibility. The Independent Auditor will provide regular reports, summaries of which will be published. The Independent Auditor will be selected by the Government of Cameroon, after consulting with the European Commission, according to a documented and transparent procedure.

SUPPORTING MEASURES

Successful implementation of the Agreement will require work and investment in a number of areas in addition to the establishment of new regulatory systems. These measures are crucial complements to ensure successful implementation of the Agreement.

They include, for example, capacity building at all levels, communication effort, legislative reform and activities to promote a competitive and modern forest industry.

The need for support for implementation of the Agreement will be identified during the pilot phase and any additional support channelled through the existing Forest Sector Environment Programme.

FREQUENTLY ASKED QUESTIONS

THE PROCESS

Why has Cameroon signed the Agreement?

Through this Agreement, Cameroon wishes to strengthen control over its forests while ensuring an outlet for its timber exports destined to the European market. This formal commitment of the Government of Cameroon working alongside the European Union affirms the importance of the reform of the forest sector.

Is Cameroon the only country to have signed the FLEGT VPA?

No. Cameroon is not the only country to have signed the FLEGT VPA. All the forest countries of Central Africa are committed to this process. The Republic of Congo and Ghana have signed the VPA. These bilateral Agreements are negotiated between the EU and countries that produce tropical timber. The Central African Republic, Gabon, the RDC, Liberia, Malaysia, Indonesia, Vietnam and many others are committed to this process.

Did the process involve other stakeholders, and if yes, who?

Cameroon developed its proposals for negotiations through a highly participative process implicating 7 different Ministries, 5 different timber federations/syndicates representing private sector interests, 29 different non-governmental and community organisations, 2 national assembly deputies, and two international organizations. The VPA multi stakeholder platform is unprecedented in Cameroon.

This dialogue was a key factor that enabled the Government to put forward proposals during the negotiations that are well founded in the realities and challenges faced in the forest sector and that enjoyed broad stakeholder support.

ASSURING TIMBER'S LEGALITY

What is the basis for defining legality in the VPA?

Cameroon's legality definition draws from legislation relating to forestry, trade, environment, human rights, social welfare, and labour and international treaties signed and ratified by Cameroon as they relate to forest operations. The criteria defining legality are based on Cameroonian law. The legality definition underwent independent field testing to assess pertinence and applicability, and only objectively verifiable indicators were maintained.

What kind of legislative reforms will need to be implemented?

During VPA negotiations, certain legislative insufficiencies came to light and Cameroon responded by outlining a reform process in the VPA to cover the following areas: management of community and communal forest resources; conservation and protection of biodiversity; rights of peoples living around protected areas; rights of indigenous peoples; integrating international treaties ratified by Cameroon; regulation of the internal wood and processing market; and transparency and governance in the sector.

How does the VPA impact forest dependent communities?

One criteria included in the legality frame is related to the social obligations for which indicators and verifiers have been developed to demonstrate compliance to respective legal obligations. However, during negotiations, some insufficiencies of the legal frame in this regard came to light and Cameroon committed itself to improve it through a reform process, in particular in the following areas: management of community and communal forest resources; conservation and protection of biodiversity; rights of peoples living around protected areas; rights of indigenous peoples.

Is certified wood accepted as legal under the Cameroonian VPA?

To avoid duplication of effort, companies holding private certificates attesting to sustainable forest management or legal compliance may receive the 'legality certificate' without further verification by the government. Companies will simply present their private certificates to receive a one year, renewable 'legality certificate'. Private certification schemes will undergo an evaluation by the Cameroon Government to ensure that the scheme includes the obligations set out in the legality definition of the Legality Assurance System and integrates a credible independent audit as part of the scheme. The evaluation report will be made public.

The VPA aims at verification of legal compliance along the supply chain from forest to port. How?

The control of the supply chain will be based on a system that uses bar-codes and traces the progression in the chain from forest to export into a computerised data-handling system (SIGIF II) that will allow real time data input and reconciliation.

How will proper verification of forest activities in Cameroon be ensured?

National monitoring and verification of forest activities in Cameroon will depend on a number of government agencies and 3 main information data management systems: SIGIF II, MESURE, and SYDONIA. These 3 databases will capture and integrate forest data, company financial and tax requirements, and customs information to provide an overview of legal compliance of forest operations on the ground. The information will be integrated to ensure that any evidence of non compliance identified along the chain will prevent issuance of a FLEGT license.

Who pays for the Legality Assurance System of the VPA?

The implementation of the VPA will involve important changes in the operating processes of the administration and the private sector. In addition to funds provided by the Forest Sector Environment Programme (PFSE), additional means such as the 10th European Development Fund were mobilised.

What are the prerequisites for a FLEGT license?

FLEGT licenses will be issued by the Government. Their issuance depends on evidence of a valid Certificate of Legality; and compliance reflected in the national database and indication of problem-free record for infractions; and compliance with all controls along the supply chain, including fiscal and customs obligations monitored by two data management systems.

REFORMS

Why did Cameroon need to change its existing system for checking legal compliance in timber production?

The existing reference system (SIGIF) for the compilation and processing of data regarding forest titles and allocation contracts delivered by the Government's Forest Ministry shows some disadvantages, of which the most important are: lack of reconciliation by field controls, weakness of the timber tracking system, slowness of data processing and lack of networking within the program's system. The development of a new legality frame in the VPA allows Cameroon to tackle illegal logging.

What will change? What reforms will be initiated?

The VPA combines measures to reinforce forest governance and to implement a system of export licences to ensure that only legal timber will be traded on the European market. A robust Legality Assurance System coupled with an efficient tracking system, both being regularly submitted to a third party audit are key elements to ensure efficient implementation.

How does the VPA address issues of sustainable forest management?

Through concerted engagement of all forest sector stakeholders on a reflection on the way the timber industry functions, discussions opened up fundamental issues regarding an entire industry and the needed reforms to improve forest sector governance. Sustainable forest management is central to the VPA since the Agreement is based on a comprehensive legality definition that builds on the knowledge of Cameroon's national laws as well as compliance with international treaties ratified by Cameroon regarding forestry, trading, environmental, social and human rights issues.

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IMPLEMENTATION

When will the implementation of the VPA start?

The Agreement will come into effect on the first day of the month after the date on which both parties notify each other, in writing, of the completion of procedures to that end. The issuance of FLEGT licenses will start later, after a period of development and systems upgrading.

How will the implementation of the Agreement be monitored?

The VPA establishes two bodies to facilitate, oversee and assess the implementation of the Agreement: the Joint Implementation Council, made up of two representatives designated by each party to oversee and make the necessary decisions regarding the implementation of the Agreement and the Joint Monitoring Committee. The latter, working under the authority of the Council, will monitor and assess the implementation of the Agreement. It was created to facilitate more regular dialogue and information exchange between the two Parties and inform the Council. Cameroon will also continue its multi-stakeholder platform during the implementation phase to continue the process of stakeholder consultation as it sees this function as a fundamental element of its forest sector management.

What will be observed by the Joint Implementation Council?

The Council will publish an annual report detailing the activities, progress, and statistics surrounding the Agreement including, for example, the quantities of timber products under a FLEGT license exported to the EU; the number of FLEGT licenses issued and received; progress and actions taken to implement the Agreement; actions taken to prevent illegally produced timber products being exported to non-EU markets or traded on the domestic market; and quantities of wood imported and having transited Cameroon.

How will the public be updated on progress and challenges with VPA implementation?

Under the Agreement Cameroon makes explicit commitment to transparency making available all data needed to assure legal compliance as described in the VPA. Moreover, Cameroon had developed a specific communication plan destined to all stakeholders to ensure dialogue at every stage of the VPA's implementation.

FLEGT LICENSING & TRADE

How important is the EU as an export market for Cameroonian timber?

Cameroon is one of the great timber exporting countries of the Congo Basin, mainly from the ports of Douala and Kribi. The first destination for exported timber remains the European Union even if the importance of Asia rapidly increases. The European Union is the main market for processed timber (80%). Italy, France, Portugal and Spain play a major part in that area.

What is the FLEGT Licensing System that this Agreement establishes?

The FLEGT licensing system established under the VPA checks compliance with all aspects of forest related legislation, and monitors and controls legal compliance through the production chain from the forest to mill and port. Furthermore, it introduces a verification system to ensure that routine controls are operating effectively, issues licenses for each shipment and introduces an independent audit to ensure that the entire system is functioning effectively. A FLEGT license will be issued only for products that have been verified as both legally sourced and legally produced.

What products are covered under the Agreement?

All wood products are covered including logs, sawn wood, veneers, plywood, flooring and furniture as indicated in the Annex of the VPA. Logs of some species are banned for export and will not receive a FLEGT license.

What is the scope of the VPA?

The VPA only covers trading with the EU. The national controls and legality assurance system will however apply to all production and all exports. This affords the opportunity for buyers in other market destinations to seek similar assurances. Thus it can potentially improve control over tropical timber exports, fastly growing, to other countries, particularly in Asia.

When will Cameroon issue the first FLEGT licenses?

The FLEGT licence issuance system should be operational in 2012, with the issuance of the first FLEGT licenses. Before FLEGT licenses begin to be delivered, a joint technical assessment will be conducted.

*Image credit:
Jade Saunders*



Isn't the VPA just another form of trade restriction for the country?

Cameroon is well aware of the opportunity this Agreement represents, which will afford greater visibility in the European market and more secure export markets. In addition, by strengthening governance of its forest resources, the country is expecting a significant improvement of its fiscal revenue and greater capacity to respond to market fluctuations.

What will happen to timber found to have been harvested in contravention of the laws as described in the VPA?

If irregularities are suspected regarding a FLEGT license, the EU competent authority in charge may not accept the FLEGT license and may decide what actions to take according to its national laws in effect. Timber found to have been harvested in contravention of its laws while still in Cameroon would be dealt with through normal channels of Cameroon's law enforcement.

What happens if someone does not comply with the indicators of legal compliance established in the legality definition?

As soon as the FLEGT licensing scheme is implemented, any timber that is found not to meet the criteria to obtain a FLEGT licence will be forbidden from entering the European market.

Under the VPA, all timber harvested in Cameroon for export to the EU will be verified legal, but what about timber coming from elsewhere that is processed in Cameroon for export to the EU?

Specific measures will be taken regarding timber imported from neighbouring countries, in particular from CEMAC (Economic and Monetary Community of Central African States), which require working closely with these countries. CEMAC timber will be verified at the border before entering Cameroon territory, at key control points and then before entering processing units. CEMAC timber will be stamped upon entry with specific bar-codes to ensure it can be traced along the supply chain. Cameroon currently only imports timber from CEMAC countries.

Does the VPA address the problem of illegal logging in the framework of domestic timber supply?

Cameroon will apply its improved controls to verify legality of all timber exports and imports as well as timber destined to the domestic market. Indeed, during the Agreement's negotiations, Cameroon clearly indicated its intention to tackle illegality in the local timber market and avoid creation of a double standard of legality.

This information brief has been prepared by the European Commission and Cameroon officials to inform public about the FLEGT Voluntary Partnership Agreement (VPA).

The contents of this brief cannot be taken to reflect the official opinion of the European Union.

Further information and detail can be found on:

http://ec.europa.eu/development/policies/9interventionareas/environment/forest/forestry_intro_en.cfm

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