



PRESS RELEASE

EU and Vietnam agree in principle on timber trade deal

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EU and Vietnam agree in principle on a Forest Law Enforcement, Governance and Trade Voluntary Partnership Agreement (FLEGT VPA). This mechanism will help improve forest governance, address illegal logging and promote trade in verified legal timber products from Vietnam to the EU.

Today EU Environment Commissioner **Karmenu Vella** and Vietnamese Minister of Agriculture and Rural Development **Nguyen Xuan Cuong** agreed in principle to work together towards reducing illegal logging and promoting trade in legally produced timber between the EU and Vietnam through an ambitious licensing system for Vietnamese timber and timber products. This will ensure that Vietnam's exports of timber and timber products to the EU come from legal sources. After nearly 6 years of negotiation, the substance of the VPA has been agreed while some technical annexes still have to be finalized by the negotiators in the next few months. The EU and Vietnam expect to start the procedure to ratify the agreement in 2017.

*"Vietnam and the EU today celebrate a milestone in their cooperation in the global fight to end illegal logging," said EU Commissioner for Environment, Maritime Affairs and Fisheries **Karmenu Vella**. "Now we must focus on implementation to ensure that the VPA delivers on its social, environmental and economic goals. A key commitment is to establish a credible and robust system, which involves all stakeholders and includes effective mechanisms to detect violations and ensure law enforcement. The EU will continue to support Vietnam's efforts in this regard. We will be monitoring closely how the country works to implement the agreement."*

Vietnam is a major timber importing and processing country which has seen an exponential growth of its forest-based industries over the past decade, playing an important role in the global market. Illegal logging, however, remains a significant challenge. It deprives the government of revenue, threatens biodiversity and creates conflict with forest communities.

To implement the VPA, Vietnam will develop a timber legality assurance system and other reforms outlined in the Agreement, including issuing specific legislation to ensure the legality of timber it imports for further processing.

Once fully implemented, the VPA is expected to boost confidence in the legality of timber products exported by Vietnam, and deliver wider social and environmental benefits.

Vietnam's shipments of timber and timber products to the EU will be accompanied by a FLEGT licence, demonstrating the legal origin of these products. This will also simplify work for timber traders, as FLEGT-licensed products automatically meet the requirements of the EU Timber Regulation, which prohibits the placing of illegal timber on the EU market. EU operators can therefore place FLEGT-licensed timber on the EU market without being subject to the due diligence provisions of the EU Timber Regulation.

Vietnam is one of 15 countries that are implementing or negotiating VPAs with the EU. On 15 November, Indonesia became the first VPA partner country to issue FLEGT licences.

An EU-Vietnam Joint Implementation Committee will oversee implementation of the agreement once it enters into force. Until then, key elements of the interim arrangements have been agreed that will help transition to the implementation phase.

Background

The Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan is the EU's response to the problem of illegal logging. To address the issue at EU level, the European Commission adopted the FLEGT Action Plan. The Action Plan aims to reduce illegal logging by strengthening the sustainability and legality of forest management, improving forest governance and promoting trade in legally produced timber. FLEGT contributes to efforts to limit climate change, conserve biodiversity, protect rights and increase transparency.

The plan aims to close the EU market to illegal timber products through several actions, amongst which two key elements are the EU Timber Regulation and the Voluntary Partnership Agreements.

The EU FLEGT Action Plan's demand-side measures include the EU Timber Regulation, which prohibits operators in the EU from placing illegal timber products on the EU market. The EU FLEGT Action Plan's supply-side measures include Voluntary Partnership Agreements (VPAs) with countries outside the EU, which commit to develop a robust timber legality assurance system and export to the EU only verified legal timber products accompanied by FLEGT licences.

When a VPA country begins FLEGT licensing, EU member states will no longer allow products listed in the VPA to enter the EU unless they have a FLEGT licence.

Vietnam is positioned at the centre of the global timber products trade. On the one hand, it imports timber from some 80 countries, including from Africa, Asia and South America. On the other, it exports timber products to all the major markets. In 2014, the timber trade between Vietnam and the EU was worth USD 705 million.

The scope of the VPA covers all export markets and the domestic market in Vietnam. Once the Vietnam Timber Legality Assurance System is operating as described in the VPA, Vietnam will issue FLEGT licences to timber products it exports to the EU.

The agreement covers both imported timber, a major source of raw materials for Vietnam, and all domestic sources in Vietnam, including natural and plantation forests, confiscated timber (under specific conditions), timber from home-gardens, farms and scattered trees, and rubberwood.

The range of timber products included in the scope of the agreement encompasses all major products exported to the EU, particularly the five compulsory timber products as defined in the FLEGT Regulation of 2005 (logs, sawn timber, railway sleepers, plywood and veneer) and also includes a number of other timber products such as wood in chips or particles, parquet flooring, particle board and wooden furniture.

Further information

[EU FLEGT Voluntary Partnership Agreements](#)

[FLEGT.org](#)

[VPA Unpacked](#)

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