

EU-Laos Voluntary Partnership Agreement



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1. The country

Forests cover about 58% of land area (equivalent to 13.7 million hectares) in Laos. Between 1990 and 2000, timber represented eight to nine percent of Laos' annual GDP, but its contribution fell to four to five percent between 2001 and 2015. The Government plans to improve the forestry sector by revising major regulations on forest and land use, reducing export of raw logs and primary wood products from natural forests, providing incentives to promote commercial tree plantations and encouraging local processing. The National Assembly approved the new Land Law and Forest Law in June 2019.

Natural forest areas converted for non-forest uses such as infrastructure, particularly hydropower, has been the largest source of timber in Laos. Historically, timber from this conversion process was exported mainly to China and Vietnam. In 2016, Laos introduced and strictly enforced a ban on the export of logs and primary wood products, drastically reducing this export.

By entering into a Voluntary Partnership Agreement (VPA) with the EU, Laos aims to improve opportunities for the Lao timber industry to access the EU market, diversify their timber products and increase revenue from timber exports.

The country intends to use the VPA process in their efforts to improve its forest sector. The Government hopes to increase the proportion of skilled jobs with higher wages and to develop opportunities for technology transfer to the Lao timber industry. Laos also aspires to ensure sustainable development of the forest sector, reduce poverty, stop illegal logging, raise awareness of the benefits of timber legality in the country, enhance transparency and good governance and strengthen existing timber management policies.

The Department of Forest Inspection under the Ministry of Agriculture and Forestry is the national focal point for developing the VPA. The Government of Laos announced its interest in negotiating a VPA with the EU in February 2012. In October 2013, the Ministry of Agriculture and Forestry opened a Forest Law Enforcement, Governance and Trade (FLEGT) Standing Office with support from Germany's Agency for International Cooperation (GIZ).

Between 2017 and 2019, three face-to-face negotiations on the VPA between the Government of Laos and the EU took place, focusing on the Lao timber legality assurance system, timber legality definitions, supply chain control and verification.

For more information, visit the Lao FLEGT VPA website: www.flegtlaos.com

The EU FLEGT Facility works closely with the EU REDD Facility. In Laos, the EU REDD Facility works with the Ministry of Agriculture and Forestry and Government partners to strengthen forest sector governance and reduce deforestation and forest degradation. This is in support of the Nationally Determined Contributions under the United Nations Framework Convention on Climate Change. For more information, see the [Laos page](#) on the EU REDD Facility's website.

2. Background

This page provides information on the Laos-EU Voluntary Partnership Agreement, which aims to address illegal logging, improve forest governance and promote trade in legal timber products. It explains the aims of the VPA, progress to date and next steps.

Quick read

- Illegal logging creates social problems, environmental degradation and loss of economic opportunities. It undermines sustainable development and sustainable forest management.
- In April 2012, Laos and the EU began a process to move towards negotiation of a Voluntary Partnership Agreement (VPA) to promote trade in legal timber products and improve forest governance. The Prime Minister approved formal negotiations in 2015. The first negotiation session was held in April 2017.
- VPA negotiations usually take several years and the conclusion of such an agreement is a long-term commitment by the Government of Laos to improve its forest governance and law enforcement.
- Under the VPA process, Laos reviews its forest legislation and policy and, through a multi-stakeholder process, develops a timber legality assurance system so it can issue FLEGT licences to verified legal timber products. Laos also makes other commitments on transparency and independent monitoring.
- Once FLEGT licensing begins, a valid FLEGT licence must accompany all exports to the EU of timber-based products covered by the VPA.
- FLEGT-licensed timber products can enter the EU market without undergoing the due diligence checks required by the EU Timber Regulation.

The forest sector in Laos

The forests of Laos have undergone extensive change – first by commercial logging then conversion for agriculture, plantations and infrastructure. Legal and illegal harvesting of timber reduced forest cover from 70% of the land area in the 1950s to 60.9% in 2000, 60.2% in 2005, 59.3% in 2010 and 58% in 2015. Deforestation and forest degradation remain significant challenges.

Optimal utilisation and sustainable management of forest resources are important to help eradicate poverty because 73% of the rural Lao people depend on forests for jobs and livelihoods.

In the past, primary products such as logs and sawnwood dominated exports from Laos, while secondary processing and production of timber products such as plywood, pulp and paper and furniture was minimal. In 2016, however, Laos banned exports of logs and primary wood products.

Before the enforcement of the export ban, the main export markets for timber products from Laos were Vietnam and China. Direct exports of timber products to the EU are minimal and consist only of paper products. They were worth about USD 550 000 in 2016.

What is a VPA?

A Voluntary Partnership Agreement (VPA) is a legally binding trade agreement between the EU and a timber-exporting country outside the EU. A VPA aims to ensure that all timber and timber products destined for the EU market from a partner country comply with the laws of that country.

In addition to promoting trade in legal timber, VPAs address the causes of illegality by improving forest governance and law enforcement. A major strength of VPAs is that they look beyond trade to consider development and environmental issues.

Stakeholders in Government, the private sector and civil society develop VPAs through a participatory process. A VPA is, therefore, a vehicle for addressing the needs of different stakeholders and for including many people who have never before had a voice in decision-making.

VPAs are a key component of the EU Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan of 2003. Laos is one of 15 tropical countries that are negotiating or implementing VPAs with the EU. In 2016, Indonesia became the first VPA country to issue FLEGT licences.

Key elements of a VPA

Key elements of a VPA are described in its main text and annexes. In countries where VPAs have already been signed, these include:

- A timber legality assurance system to verify that timber products are legal and can be issued with FLEGT licences.
- Commitments to legal reforms, public disclosure of information and other improvements to forest governance.
- A framework for overseeing, monitoring and evaluating implementation of the VPA and its economic, social and environmental impacts.

How a VPA promotes legal timber trade

A VPA partner country that has implemented a timber legality assurance system and other VPA commitments can issue verified legal timber products with FLEGT licences. The advantage of this is that FLEGT-licensed products automatically meet the requirements of the EU Timber Regulation (EUTR), which prohibits EU operators from placing illegally harvested timber and timber products on the EU market.

The EUTR entered into force in 2003. It requires EU operators to perform due diligence checks to ensure the timber products they place on the EU market are legal. FLEGT-licensed timber meets the due diligence requirements under the EUTR.

A VPA partner country can only issue FLEGT licences through a timber legality assurance system that the EU and the partner country have agreed on, developed and tested. Before a country can begin FLEGT licensing, the EU and the partner country must confirm that the country's timber legality assurance system works as described in the VPA. Confirmation by the two parties means that the system is robust and will issue FLEGT licences only to legal timber products.

While FLEGT licensing is an important goal, it is not the end point of a VPA process. Governance reforms, legislative and policy reforms, impact monitoring, improvements to the timber legality assurance system and other activities continue after the start of FLEGT licensing.

Through progress on VPAs, the implementation of the EU Timber Regulation and dialogues with other important timber market, including China, the EU and its VPA partner countries are contributing to a growing global movement to stop trade in illegal timber and timber products. Australia, the United States and Japan also seek to restrict the placing of illegal timber on their markets. The process to achieve FLEGT licences may therefore help VPA partner countries such as Laos meet the legality requirements of markets beyond the EU.

The EU-Laos VPA

Although Laos expressed interest in starting the VPA negotiation process in 2012, it was not until June 2015 that the Prime Minister authorised formal negotiations. Following the approval, Laos quickly set up its negotiating structure – establishing a National Steering Committee and appointing a Chief Negotiator. In October 2015, Laos communicated to the EU its readiness to negotiate and the first negotiation round took place in April 2017.

Laos and the EU will negotiate the terms of the VPA through a cooperative process: both parties share the goal of fostering good forest governance and addressing illegality.

The EU advocates for multi-stakeholder participation, in order to foster significant national ownership, stakeholder engagement and a broad consensus that will promote effective VPA implementation.

Experience shows that VPA negotiations are complex and take place over a period of years. The national stakeholder process plays a key role during the negotiations. Stakeholders discuss, and consensus emerges, on fundamental issues related to forest legislation and policy, supply chain controls, access to information and transparency, and independent monitoring.

Following the conclusion of negotiations, Laos and EU will sign and ratify the VPA and its commitments will become legally binding. A Laos-EU joint body will oversee the implementation of the VPA and respond to concerns as they arise. VPA implementation can therefore improve as it proceeds.

In order to issue FLEGT licences as required by the VPA, Laos will build on existing national initiatives to develop a robust timber legality assurance. Laos will begin issuing FLEGT licences only when the timber legality assurance system has been successfully tested, and when Laos and the EU are satisfied that it functions as described in the VPA.

VPAs must also include commitments to improve transparency, accountability, legislative clarity and other aspects of governance.

Efforts to tackle illegal logging in Laos

Laos has made some efforts to address illegal logging and manage its forests sustainably. The Government of Laos recently strengthened its ban on the exports of raw logs and primary wood products from natural forests, and plans to improve the forestry sector by increasing intensively-managed tree plantations.

The Government has revised major legislation, including Forest Law and Land Law.

Laos has made steady progress since 2012 when it expressed interest to the EU in the FLEGT VPA process. In 2015, the Prime Minister's Office approved the VPA process and importantly provided for a full multi-stakeholder process. This includes Lao non-profit associations participating at all levels, including within the National Steering Committee for the VPA, giving Lao civil society organisations a historic opportunity to influence policies that affect forest governance.

Laos also aspires to raise awareness of the benefits of timber legality, improve forest governance and strengthen existing policies. The VPA process could also benefit the ongoing revision of land and forest laws.

Key dates:



- 1990s: Laos begins revising its natural resources management policies due to concerns about sustainability.
- 2005: Laos publishes its 'Forestry Strategy to the Year 2020'.
- 2007: Laos puts stronger focus on enforcement by creating the Department of Forest Inspection after the revision of Forestry Law.
- 2010: The Lao Government requests an informal information exchange with the EU to begin preparations for a VPA process.

- 2011: Laos and the EU undertake studies to prepare for VPA negotiations.
- 2011: Lao Government begins to revise the National Land Policy.
- 2012: In April, VPA negotiation process officially starts.
- 2012: Laos sets up an inter-departmental Working Group on FLEGT and appoints a Focal Point.
- 2013: Ministry of Agriculture and Forestry opens a FLEGT standing office to provide support on the VPA process with support from Germany's Agency for International Cooperation (GIZ).
- 2015: Prime Ministerial Decision No. 65/PM of 19/8/2015 establishes a multistakeholder National Steering Committee for the VPA.
- 2015: In October, the VPA National Steering Committee has its first meeting.
- 2016: Prime Minister issues Order No. 15/PM of 13/05/2016 on 'Strengthening Strictness of Timber Harvest Management and Inspection, Timber Transport and Business'.
- 2017: First face-to-face VPA negotiations between the EU and Laos.
- 2018: Second face-to-face VPA negotiations between the EU and Laos.
- 2019: Third face-to-face VPA negotiations between the EU and Laos.

Laos' timber legality assurance system

Under a VPA, Laos would commit to develop a system for assuring the legality of its timber. As in all VPAs, the timber legality assurance system must have the following five components:

1. **Legality definition:** The legality definition states the aspects of a VPA partner country's law for which the timber legality assurance system evaluates evidence of compliance.
2. **Supply chain controls:** Supply chain controls ensures that timber products verified as legal remain legal throughout all processes associated with the supply chain. Supply chain controls also prevent verified legal products being tainted by unverified products entering the supply chain.
3. **Verification of compliance:** Verification of compliance involves checks that all the requirements of the VPA legality definition and supply chain controls have been met to ensure that timber products are legal.
4. **FLEGT licensing:** A FLEGT licensing authority issues FLEGT licences to consignments of timber products that the verification mechanism has confirmed are legally compliant. FLEGT licensing cannot begin until a joint evaluation of the timber legality assurance system by Laos and the EU confirms that the system works as described in the VPA (see Next steps).

5. **Independent audit:** The independent audit regularly checks that all aspects of the legality assurance system work properly. An annex to the VPA provides terms of reference for the auditor.

How the EU-Laos VPA can improve forest governance

Greater participation in decision-making

In 2015, the Prime Minister of Laos set up a multi-stakeholder National Steering Committee (NSC) on the VPA, giving stakeholders in Laos unprecedented access to influence policies that affect forests. The NSC includes, in addition to representatives from Government at central and provincial levels, self-selected representatives from civil society and the private sector.

The Prime Ministerial Decision specifies members of the NSC from Government as well as participants from:

- The Lao National Chamber of Commerce and Industry, which represents wood industry associations.
- ‘Mass Organisation’, which encompasses trade unions, youth unions, women's unions, etc.
- Non-profit associations / civil society organisations (see below).

The VPA process is therefore becoming a vehicle for addressing the needs of different stakeholders and for including many people who have never before had a voice in decision-making.

Opportunities will need to be sought to ensure that all stakeholders – in particular non-profit associations and those hard-to-reach parts of the private sector – can fully engage in the VPA process and can confidently raise their interests and concerns.

Growing opportunities for civil society to influence forest policies

In August 2015, 20 civil society groups established a platform called Lao CSO FLEGT Network. As of March 2020, the Network has 27 member organisations. Each member has been elected to contribute to work on various components of the Lao-EU VPA. The Network has institutional arrangements to structure their interactions among its members and their engagement with the FLEGT Standing Office and other partners.

The Network elected five organisations to represent them in the VPA process:

- Women Mobilising for Development, President
- Lao Biodiversity Association, Vice President
- Community Development and Environment Association, Core Member
- Green Community Development Association, Core Member

- Association for Rural Mobilisation and Improvement, Core Member

The organisations were chosen based on the relevance of their work to FLEGT, level of interest in the VPA process, English skills, attitude towards forest governance, and willingness to represent CSOs in the negotiations. An independent observer was also present to ensure the election process was free, fair and transparent.

Representatives from the five associations take part in the National Steering Committee, the Negotiation Support and Development Committee, the Technical Working Group as well as the face-to-face negotiations between the EU and Laos.

Enhanced capacity to address illegal logging

The VPA process is strengthening the capacity of Government, the private sector and civil society to work together to address illegality in the Lao forest sector. Full participation in policy-making processes is relatively new in Laos and capacity building is necessary to further develop this. The Lao Government also aims to use the VPA process to build the capacity of the timber industry in the country. This means having more value-added industry, reduced exports of raw logs and primary products from natural forests and more intensively managed plantations of industrial tree crops. With increased capacity in these areas, the Government sees the VPA process as an opportunity to have greater access to the EU market and increase revenues from export of legally verified timber and timber products.

Effective control of forest conversion

Forest conversion, particularly for hydropower development, has provided the main source of timber since the 2013 moratorium on logging in production forest areas. As such, Laos would be the first country entering a VPA process for which most of its timber is derived from conversion. This presents Laos and the EU with the opportunity to explore ways forward that can best address legality of forest conversion.

More transparency

VPAs signed to date include an annex that lists the information the Government of the timber-exporting country commits to making publicly available.

Legal reforms and improved legal clarity

The VPA process in Laos provides opportunities to clarify what is legal and to identify overlaps, gaps and contradictions in the legal framework.

Next steps

Start negotiation sessions

The first negotiation session took place in April 2017. Through negotiations Laos and the EU will agree upon the content of the VPA and its annexes, including important aspects such as the legality definition, the scope of products the VPA will cover, the design of the timber legality assurance system and commitments to make information public. Based on experiences in other countries, this negotiation process is expected to take several years.



3. Questions & Answers

This document provides answers to some common questions about the EU-Lao Voluntary Partnership Agreement negotiations, FLEGT licensing and the Lao timber legality assurance system.

What is the EU-Lao Voluntary Partnership Agreement (VPA)?

Laos and the EU are negotiating a Voluntary Partnership Agreement (VPA), which is a legally-binding bilateral trade agreement that aims to improve forest governance and promote trade in legal timber from Laos to the EU.

- VPAs are among the key tools of the EU Forest Law Enforcement, Government and Trade (FLEGT) Action Plan of 2003. As of mid-2017, 15 countries were negotiating or implementing VPAs with the EU.
- Laos expressed interest in a VPA in 2012. The Prime Minister of Laos approved VPA negotiations in 2015. The EU and Laos met three times via videoconference for technical discussions ahead of their first face to face negotiations in April 2017.
- The VPA negotiations are expected to take several years. Under the VPA both parties would commit to trading only in legal timber products.
- Among other things, a Laos-EU VPA would describe a timber legality assurance system capable of verifying the legality of timber products. When fully operational the timber legality assurance system would issue FLEGT licences to accompany Lao exports of verified legal timber products to the EU.
- Laos would then only export FLEGT-licensed timber products to the EU, if those products fall under the scope of the VPA. The EU would only allow products that fall under the scope of the VPA to enter the EU if they are accompanied by a valid FLEGT licence. FLEGT-licensed timber is considered as meeting the requirements of the EU Timber Regulation,

which prohibits EU importers and domestic producers from placing illegally harvested timber and timber products on the EU market.

- The VPA will include a framework for overseeing, monitoring and evaluating implementation of the VPA and the economic, social and environmental impacts of the VPA.

Why did Laos decide to negotiate a VPA?

Laos' objectives for the VPA process are to:

- Improve law enforcement, capacity and overall governance regime in the forest sector.
- Make progress towards improving local livelihoods through sustainable forest management.
- Maintain timber trade access to regional and EU markets.

How will the VPA be negotiated?

The European Commission (DG Environment) negotiates on behalf of the EU. For Laos, the negotiations are led by the Ministry of Agriculture and Forestry and include participation by representatives of Lao private sector, Government ministries and agencies, and civil society groups.

Much of the content of the VPA will be decided through deliberations among national stakeholders. Laos has created a multi-stakeholder National Steering Committee, Negotiation Support and Development Committee, and thematic Technical Working Groups for this purpose.

When will VPA negotiations conclude?

Experience from other countries shows that it can take years for VPA negotiations to conclude, and further years to implement the VPA. In VPA processes to date, the period from the start of negotiations to the date the VPA entered into force has been between four and seven years. Several more years of VPA implementation then followed. Meaningful change takes time. The VPA process will take the time necessary to build a consensus among national stakeholders and to design and implement a timber legality assurance system that is robust and credible. It would be wrong to compare the pace of VPA negotiation and implementation between countries.

Which Lao stakeholders and institutions are involved in the VPA process?

The institutions and stakeholders that are involved in the VPA process include the following:

- **Government:** The national negotiating structure includes representatives of the Ministry of Agriculture and Forestry, and its Department of Forestry and Department of Forestry Inspection, the Ministry of Industry and Commerce and the Ministry of Natural Resources and Environment. The Ministry of Planning and Investment and the Ministry of Energy and Mines take part in thematic expert group discussions on legality of timber derived from

forests converted to other land uses. The Ministry of Labour and Social Welfares also has a role to play, especially on safety and health of workers in the timber harvesting and processing sector.

- **Private sector:** The private sector has followed the FLEGT VPA process from an early stage – in particular, the Lao Wood Processing Industry Association and the Lao Furniture Association.
- **Civil society:** A group of 27 civil society organisations (CSOs) formed the ‘Lao CSO FLEGT Network’ in 2015 through a transparent selection process, which identified five organisations to represent the group in the national FLEGT structures.

What is the status of the VPA?

The first face-to-face negotiations between Laos and the EU took place in April 2017 followed by the second negotiations in June 2018 and the third in June 2019. Work on the timber legality definition (TLD) which comprise eight TLDs started with five draft TLDs shared with EU in December 2016.

By March 2020, all eight draft TLDs were available and shared with the EU, three of which were set aside, acceptable in principle, during the second negotiation round. A draft product scope is also available. Technical discussions on supply chain controls have also commenced. Currently, Laos intends that all timber sources will be covered, that the product scope will be broad and the TLAS will be applicable to exports to all markets. In October 2018, the Ministry of Agriculture and Forestry issued a regulation supporting the implementation of TLAS.

In 2020, Laos is field-testing elements of its supply chain control and verification under the TLAS, with particular attention on timber from conversion areas.

What is a VPA timber legality assurance system?

Each VPA describes a timber legality assurance system designed to verify the legality of timber from the forest or the point of import through the entire supply chain to the point of final sale or export.

In all VPAs the system includes the following five components:

1. **Legality definition:** The legality definition states the aspects of a VPA partner country’s law for which the timber legality assurance system evaluates evidence of compliance.
2. **Supply chain controls:** Supply chain controls ensure that timber products verified as legal remain legal throughout all processes associated with the supply chain. Supply chain controls also prevent verified legal products being tainted by unverified products entering the supply chain.
3. **Verification of compliance:** Verification of compliance involves checks that all the requirements of the VPA legality definition and supply chain controls have been met to ensure that timber products are legal.

4. **FLEGT licensing:** Once the timber legality assurance system is operational, it will provide for the issuance of a FLEGT licence for each shipment of timber products that is exported to the EU market. Such shipments and their exporters must meet all the requirements set out in the legality definition, supply chain controls and verification procedures.
5. **Independent audit:** An independent auditor will periodically assess the implementation, efficiency and credibility of the timber legality assurance system in order to identify, document and report any non-compliance and weaknesses in the system.

Until Laos issues FLEGT licences, what requirements must its timber and timber products meet to enter the EU market?

Until the start of FLEGT licensing, timber and timber products that Laos exports to the EU will have to go through the normal due diligence process under the EU Timber Regulation (EUTR). The EUTR prohibits the placing on the market of illegal timber and requires companies placing timber on the EU market to assess and mitigate the risk of illegal timber entering their supply chain.

How important is the trade in timber and timber products from Laos to the EU?

Laos has historically exported to the EU only a small proportion of its total timber exports, which solely consisted of paper products. In 2016, the value of Lao wood and wood product exports to the EU was USD 550 000 million, which amounted to 0.05% of the country's total wood and wood product exports.

Before the 2015 ban on log exports, 87% of Lao exports of timber products went to China and Vietnam. Some of these may have then been re-exported to the EU following processing.

The VPA is an opportunity for Laos to increase exports to the EU, and improve its access to other markets, including those of countries such as Vietnam and China, which are also engaging with the EU on forest governance issues. The Vietnam-EU VPA entered into force in June 2019.

What products will the Lao-EU VPA cover?

Products covered by the VPA will include all those required by the EU regulation establishing a FLEGT licensing scheme, which are a minimum requirement for VPAs: logs, sawn timber, railway sleepers, plywood and veneer.

In addition to the minimum requirements of the product scope of a VPA, the VPA will also cover other timber products that Laos identifies through deliberation among national stakeholders. An annex in the VPA will list the range of products the VPA covers. Laos has prepared a draft product scope annex, which includes the mandatory VPA products along with others.

How does the VPA relate to domestic action in the forest sector?

Laos has taken important steps to address illegal logging and improve forest governance recently, notably through the Prime Minister's Order 15 (PMO15) of 2016, which includes measures to strengthen management and control of the timber sector. The VPA and domestic reform processes have common goals and can therefore support each other.

Recent VPA-related policies and actions in Laos include:

- Maintaining a moratorium on harvesting in production forest areas while management plans are developed and capacities built.
- Promoting and streamlining smallholder and private industrial plantations in place of timber from natural forest.
- Identifying severely degraded forestlands in Production Forest Areas suitable for industrial plantations (completed).
- Providing enabling incentives for the private sector to reforest and restore Production Forest Areas.
- Improving the management of timber exports so that revenue is collected accurately and on time.
- Improving the regulation and monitoring system for harvesting in infrastructure project areas.
- Developing a mandatory national chain of custody system in the supply/value chain.
- Prohibiting the import of illegal timber.
- Strengthening the ban on export of logs and sawn timber, with preference for export of finished products.

How useful is the VPA, given that Laos exports so much timber to non-EU markets?

The VPA is useful with respect to both EU and non-EU markets. Laos has historically exported most of its timber to China and Vietnam, both of which are major suppliers to the EU market.

Vietnam is a VPA country, and its VPA entered into force on 1 June 2019. Vietnam is starting to implement its timber legality assurance system and strengthened controls on imported timber. China is also engaging with the EU on forest law enforcement and governance. Furthermore, China is developing a Chinese Timber Legality Verification System that aims to provide assurance that Chinese imports and exports of timber are legal. By engaging in a VPA, Laos therefore aims to meet the rising standards of multiple markets.

- In all VPAs agreed to date, the VPA timber legality assurance system and related regulations apply to all export markets, not just to the EU market.

- With such a commitment, the control and verification of operations will apply to all timber and timber products produced, acquired and/or in circulation in the VPA country.
- Under the FLEGT Action Plan, the EU seeks to work with other major timber consumers to develop a more comprehensive framework to reduce imports of illegally harvested timber.
- Other markets have implemented or are designing measures to eradicate illegal timber from their imports. These markets include the United States, Australia, Japan and South Korea.

How could a VPA boost trade with the EU?

Each VPA describes a timber legality assurance system that, when fully operational, will verify the legality of timber and timber products and issue FLEGT licences to exports bound for the EU. FLEGT licences automatically meet the requirements of the EU Timber Regulation (EUTR). This means operators in the EU can place FLEGT-licensed products on the market without doing further due diligence, thereby saving time and money. FLEGT-licensed products should therefore be more attractive to buyers than equivalent products that do not have FLEGT licences.

What other benefits could a VPA bring?

A VPA between Laos and the EU is expected to bring social, economic and environmental benefits through the reform of the forestry sector.

Different stakeholder groups have different desired outcomes from the VPA process.

- The Government wants the VPA to reduce poverty, improve livelihoods through sustainable forest management, maintain access to markets and improve law enforcement, capacity and governance.
- Private sector interests in a VPA include improved access to logs for processing, and a level playing-field for business with clear regulations that ensures competition is fair. The private sector also sees the VPA as an opportunity to modernise the industry, adding more value, competitiveness and performance.
- Civil society groups see the VPA as a means to improve forest governance, enforce the law fairly, and share more benefits from forestry operations with local communities.

How can the VPA address timber obtained when forests are converted to other uses?

Laos is the first VPA country in which most timber is harvested from conversion of forest to other land uses. This presents the EU and Laos with an opportunity to identify ways to address illegal conversion and strengthen controls over legal conversion.

How will the EU and Laos oversee VPA implementation?

In each VPA, the EU and the partner country create a joint body to oversee VPA implementation. It is foreseen that Laos and the EU will establish such a joint body once negotiations are concluded.

How will the impacts of the VPA be monitored?

In all VPAs, the EU and the partner country make a joint commitment to monitor the economic, social and environmental effects of the VPA. It is foreseen that the Lao–EU VPA will commit to similar monitoring.

4. Press releases on the EU-Laos VPA process

- Lao PDR and the European Union conclude the [second formal negotiation](#) towards a bilateral Forest Law Enforcement, Governance and Trade Voluntary Partnership Agreement (4-7 June 2018)
- The European Union and Laos conclude the [third formal negotiation](#) towards an agreement on combating illegal logging and promoting trade in legal timber products (17- 21 June 2019)
- The European Union and Laos conclude the [fourth Joint Expert Meeting \(JEM\)](#) towards an agreement on combating illegal logging and promoting trade in legal timber products (9- 11 September 2020)

5. Websites

- FLEGT Laos - Lao government website devoted to the VPA [[Visit website](#)]
- [VPA Unpacked](#): Helping you understand FLEGT Voluntary Partnership Agreements [[Lao version](#)]
- EU FAO FLEGT Programme [[Read online](#)]
- ITTO: VPA independent market monitoring [[Visit website](#)]
- Global Witness: Laos [[Visit website](#)]
- Lao CSO FLEGT [[Visit website](#)]
- LoggingOff.info: Laos [[Visit website](#)]
- Capacity4Dev.eu: FLEGT Laos document repository [[Read online](#)]
- FLEGT.org: Laos [[Visit website](#)]