This action is funded by the European Union

**ANNEX III**

of the Commission Implementing Decision on the financing of the annual action programme in favour of the Asia region for 2019 part III

**Action Document for Regional-ASEAN Forest Governance support programme (FLEGT)**

<table>
<thead>
<tr>
<th><strong>ANNUAL PROGRAMME</strong></th>
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<tbody>
<tr>
<td>This document constitutes the annual work programme in the sense of Article 110(2) of the Financial Regulation and action programme/measure in the sense of Articles 2 and 3 of Regulation N° 236/2014.</td>
<td></td>
</tr>
</tbody>
</table>
| **1. Title/basic act/CRIS number** | Regional-ASEAN Forest Governance support programme (FLEGT)
CRIS number: ACA/2019/041-652, financed under the Development Cooperation Instrument |
| **2. Zone benefiting from the action/location** | Association of Southeast Asian Nations (ASEAN)
The action shall be carried out at the following location: ASEAN Member States with some activities that may take place in China, Japan, South Korea and in the European Union |
| **3. Programming document** | Addendum to the Multiannual Regional Indicative Programme (RIP) for Asia for the period 2014 – 2020 \(^1\) |
| **4. SDGs** | Main SDG: 15
Other significant SDG(s): 8,12,13 |
| **5. Sector of intervention/thematic area** | Environment and climate change
DEV. Assistance: YES |
| **6. Amounts concerned** | Total estimated cost: EUR 5 000 000
Total amount of EU budget contribution EUR 5 000 000 |
| **7. Aid modality(ies) and implementation modality(ies)** | Project Modality
Indirect management with the entity(ies) to be selected in accordance with the criteria set out in section 5.3.1 |

\(^1\) C(2018)4741 of 20 July 2018
<table>
<thead>
<tr>
<th>8 a) DAC code(s)</th>
<th>31210 Forestry policy and administrative management</th>
</tr>
</thead>
<tbody>
<tr>
<td>b) Main Delivery Channel</td>
<td>40000- MULTILATERAL ORGANISATIONS</td>
</tr>
<tr>
<td>9. Markers (from CRIS DAC form)</td>
<td></td>
</tr>
<tr>
<td>General policy objective</td>
<td>Not targeted</td>
</tr>
<tr>
<td>Participation development/good governance</td>
<td>☐</td>
</tr>
<tr>
<td>Aid to environment</td>
<td>☐</td>
</tr>
<tr>
<td>Gender equality and Women’s and Girl’s Empowerment</td>
<td>☒</td>
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<tr>
<td>Trade Development</td>
<td>☐</td>
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<tr>
<td>Reproductive, Maternal, New born and child health</td>
<td>☒</td>
</tr>
<tr>
<td>RIO Convention markers</td>
<td>Not targeted</td>
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<tr>
<td>Biological diversity</td>
<td>☐</td>
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<tr>
<td>Combat desertification</td>
<td>☐</td>
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<tr>
<td>Climate change mitigation</td>
<td>☐</td>
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<tr>
<td>Climate change adaptation</td>
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</table>

**SUMMARY**

The EU-FLEGT Action Plan is the EU’s response to the global problem of illegal logging and trade in associated timber products. The implementation of this EU flagship initiative has generated a very positive momentum, particularly in Southeast Asia where eight Association of Southeast Asian Nations (ASEAN) Member States are currently involved, at different levels, in FLEGT related processes and dialogues. Regional FLEGT support programmes have also contributed to generate this momentum, resulting in a specific ASEAN FLEG Work Plan for 2016-2025.

Since 2008, the EU has supported the implementation of the FLEGT Action Plan in the Asian region, including ASEAN specific components. Main lessons learned from this Asian regional FLEGT support indicate that: (i.) the FLEGT Action Plan constitutes an excellent point of entry for increased EU-ASEAN cooperation on forestry; (ii.) the EU-ASEAN high-level policy dialogue on FLEG(T) should be reinforced, at the level of ASEAN Senior Officials on Forestry (ASOF) and ASEAN Ministries of Agriculture and Forestry (AMAF); (iii.) synergy of Forest Law Enforcement, Governance and Trade (FLEGT) actions with Reducing Emissions from Deforestation and forest Degradation (REDD+) actions and debate around promoting forest conservation and sustainable forest management and fighting deforestation should be strengthened; (iv.) FLEGT dialogue and action should reinforce the strategic alliances built under the FLEGT Asia programme, such as the ones with major ASEAN Member States trade partners in the forestry sector (China, South Korea, Japan).

The overall objective of the programme is to enhance the sustainable production and responsible trade of legally sourced timber and timber products within and from the ASEAN
region. The specific objective is to enhance and demonstrate forest governance, monitoring and sustainable forest management across ASEAN Member States. The three interlinked components of the action are:

Component 1: support at regional-ASEAN level; dialogues, coordination and exchanges between ASEAN Member States and among the ASEAN and its Member States’ major AMS trade partners in the forestry sector (EU, China, South Korea, Japan).
Component 2: support FLEGT processes and reforms in ASEAN Member States.
Component 3: adapt for implementation best practices on national and sub-national forest governance and management frameworks for sustainable landscape interventions.

1 CONTEXT ANALYSIS

1.1 Context Description

Addressing the global challenges of illegal logging and associated trade and deforestation has been and continues to remain a priority for the European Union (EU), especially in light of the 2030 Sustainable Development Agenda and the Paris Agreement on climate change. The EU-FLEGT Action Plan, established 2003, is the EU’s response to the global problem of illegal logging and associated trade in timber and timber products. Implementation of this EU flagship initiative has generated a very positive momentum, particularly in Southeast Asia where eight ASEAN Member States (AMS) are currently involved, at different levels, in FLEGT related dialogues (Indonesia with a fully operational Voluntary Partnership Agreement (VPA); Vietnam has recently signed a VPA; Malaysia, Thailand and Lao PDR are currently negotiating a VPA with the EU (Malaysian process is on hold; Myanmar, Cambodia and the Philippines remain interested in FLEGT and dialogues are open, in particular in relation to the implementation of the EU Timber Regulation). The EU has dialogue and regular exchanges on fighting illegal logging and related trade, in particular in the context of the EU Timber Regulation, with other major Asian market players (China, Japan, and South Korea).

Regional policy developments (ASEAN)

Efforts at regional-ASEAN level have also contributed to generate this momentum. ASEAN has recently formulated a Strategic Plan of Action for ASEAN Co-operation on Forestry (2016–2025), adopted in 2016 (ASEAN-AMAF 38th Meeting, 2016). Based on this Strategic Plan of Action, ASEAN has developed a specific FLEG Work Plan (2016–2025)2. This Work Plan constitutes the basis for deepening co-operation and implementing joint actions among AMS, addressing illegal logging and deforestation through an approach in line with the EU FLEGT Action Plan.

ASEAN has also developed and recently updated (2017) voluntary criteria and indicators for Sustainable Forest Management (SFM). This regional initiative builds on national-level experiences, especially in Indonesia, Malaysia, Myanmar and Vietnam. All of this, together with sharing of FLEGT and VPA experiences under ASEAN and other sub-regional capacity-building workshops for AMS, is continuing to feed a learning process for the other ‘non-
VPA’’ AMS, a process facilitated by ASEAN bodies and a clear indication of increased regional ownership of FLEG(T) policies. ASEAN has established a specific Working Group on Climate Change as a mechanism to oversee the implementation of the relevant action lines in the ASCC Blueprint and Action Plan on Joint Response to Climate Change.

Landscape approaches\(^3\) recently emerged as integrated frameworks for implementing REDD+ and FLEGT/ Sustainable Management (SPM) in forests and forest margins (i.e. where drivers of deforestation need to be tackled). This vision is shared by ASEAN (2016-2025 ASEAN Cooperation in Food, Agriculture and Forestry sectors - FAF): “Forest resources are sustainably managed at the landscape level to meet societal needs, both socioeconomically and culturally, of the present and future generations, and to contribute positively to sustainable development”\(^4\).

**National policy development**

Indonesia is the most advanced AMS in VPA implementation. Its Timber Legality Assurance System (TLAS) is treated as an exemplary forest governance reform. FLEGT licensing started in November 2016 and in the first 2 years more than 60,000 FLEGT licences were issued for export of timber and timber products to the EU. Indonesia is currently working to improve their laws with regard to the verification of legality of imported timber and timber products. In May 2017, the EU and Vietnam concluded the VPA negotiations. EU and Vietnam recently signed this VPA (October 2018). Vietnam has built on existing national initiatives a Timber Legality Assurance System (VNTLAS). Timber importation is also very important for Vietnam and for this reason it is a prominent part of VNTLAS. The commitments on VNTLAS and other VPA elements, such as on public disclosure of information, are already reflected in the new Forestry Law approved in November 2017. The first round of VPA negotiations between the EU and Thailand took place in June 2017; stakeholders have agreed on a draft timber legality definition. The private sector has demonstrated significant interest in pushing forward the VPA in Thailand and space for Civil Society Organisations (CSO) in the process is also increasing.

In May 2016, the Government of Lao PDR enacted the Prime Ministerial Order (PMO) No. 15 to ban the export of logs and sawn wood with the aim of controlling the country’s high deforestation rate and boost Laos’ domestic wood products industry. This regulation has influenced the Vietnamese timber industry, which has seen a decline in the availability of logs and sawn wood from Lao PDR. Lao PDR and Vietnam have a MOU to cooperate on forest law enforcement, tackling illegal cross-border trade and conduct regular dialogue on the FLEGT VPA process. Lao PDR is currently in the early negotiation phase of a FLEGT VPA. Negotiations with Malaysia remain currently on hold due to the lack of national consensus, on the inclusion of Sarawak State in the scope of the VPA. Myanmar has expressed interest to reform its forest sector, and the on-going FLEGT-related activities, in particular as response to the EU Timber Regulation implementation in the EU Member States, help to catalyse political attention and to establish an open and transparent multi-stakeholders approach. The Philippines has developed, with support from the EU-funded programme a FLEGT roadmap to strengthen governance framework. A similar work has been carried out in Cambodia.

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\(^3\)https://www.cifor.org/cifor-at-glf-2017/


[4]
1.2 Policy Framework (Global, EU)

The new European Consensus on Development steers the EU's development response to global challenges and identifies environment and climate change among the EU's key priorities. It highlights the role the EU plays in improving governance and the rule of law related to tenure of land and forests. In its conclusions from 15 April 2019, the Council of the European Union recognized 'the need for active involvement in the international forest-related policy dialogue.'

The EU FLEGT Action Plan, established in 2003, represents the EU's response to illegal logging and associated trade of timber and timber products. A performance review by the European Court of Auditors and the FLEGT mid-term evaluation confirmed ‘the relevance and the innovative design of the FLEGT Action Plan, and its important contribution to the international fight against illegal logging and associated trade’. The European Commission leads the implementation and has a political mandate from the EU MS to negotiate VPA's with selected countries. This responsibility is assumed jointly by the Directorate General of Development and Cooperation (DG DEVCO), leading in Africa and Latin America, and DG Environment (DG ENV), leading in Asia.

In 2018, the Commission released the FLEGT Work Plan 2018-2022 which addresses the recommendations by the Court of Auditors and of the mid-term evaluation and provides a framework for more coherent and coordinated action to speed up VPAs' negotiations and implementation. In general, the focus is on stepping up the already ongoing processes before possibly engaging in new ones.

The 2015 UNFCCC Paris Agreement strengthens the international legal and institutional framework for dealing with forests and REDD+. Article 5 stresses the role of forests in conserving and enhancing sinks and reservoirs of greenhouse gases. The New York Declaration on Forests signed at the UN Climate Summit in September 2014 brought together heads of state, companies and civil society organisations to commit to halving deforestation by 2020 and ending it by 2028. The first ever United Nations Strategic Plan for Forests (UNSPF) - adopted in 2017- provides a global framework for actions at all levels to sustainably manage all types of forests and trees outside forests and halt deforestation and forest degradation. Its implementation will contribute to the achievement of the Sustainable Development Goals (SDGs) and the implementation of the 2030 Agenda for Sustainable Development, the Paris Agreement on Climate Change and other international forest-related instruments, processes, commitments and goals.

1.3 Public Policy Analysis of the partner country/region

Under the global policy framework, with the adoption of the Agenda 2030 and the Paris Agreement in 2015, countries have committed to conserve and sustainably use natural resources, including forest, and to combat climate change and its impacts.

The ASEAN FLEG agenda, in line with the FLEGT Action Plan objectives, is contributing to the achievement of the 2030 Sustainable Development Goals (SDGs). In particular, it addresses SDG no. 15 ‘Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss’. Specifically SDG 15.2 states to promote the implementation of


sustainable management of all types of forests, halt deforestation by 2020, restore degraded
trees and substantially increase afforestation and reforestation globally.

1.4 Stakeholder analysis
- **Government and regional institutions.** Involved in formulating relevant policies and
  enforcing legislation that directly or indirectly influences forests. Progress towards
  legality depends to a large extent on the clarification and improvement of the legal
  framework and the capacity of relevant institutions to enforce it.
- **Timber producers and traders.** In the region small and medium enterprises in particular
  have experienced difficulties in complying with legality requirements and standards,
  mostly due to the limited managerial and financial capacities.
- **Civil society organisations.** Environmental and social NGO's in particular have been
  actively engaged in negotiations and implementation of FLEGT processes. They play a
  key role in monitoring VPA's implementation.
- **Forest-dependent local communities, smallholder forest producers.** Smallholder forest
  producers frequently connect with the supply chain of larger producers. They often have
  insecure land and forest tenure and access rights, and commonly face difficulties to
  comply with legal frameworks.

1.5 Problem analysis/priority areas for support
Illegal logging in its broadest sense includes many activities which are not only related to the
actual production and logging of timber, but span from how access is granted to forest land, to
corrupt behaviour of public officials and private actors,. Presently the main drivers of
deforestation and forest degradation in Asia are linked to the production of agricultural
commodities and to mining in forested areas. Current deforestation and forest degradation
trends not only impact forest cover and timber stocks but potentially can also lead to market
structures' disruption. Ultimately, this loss in natural capital and biodiversity is not only
affecting timber markets but also people's livelihoods.
The first problem to address is the regulatory frameworkin several AMS. ASEAN could play an important role, using the
ASEAN FLEG Work Plan as guiding instrument for improving monitoring and reporting
progress and achievements. Several AMS are already investing resources to provide the
necessary conditions for better governance in forestry, eventually paving the way towards a
VPA signature with the EU. Despite these investments, some AMS still need support to
improve their regulatory frameworks and their implementation. China, Japan and South Korea
are the major timber trade partners for the AMS, with volumes imported that are far above
those exported to the EU; full recognition for FLEGT licensed timber by these key markets
for ASEAN and strengthened cooperation regarding fighting illegal logging and associated
trade in the framework of the EU Timber Regulation are very important elements for the
success of the FLEG initiative in the region. South Korea has recognised FLEGT licences to
comply with the requirements of its Act on the sustainable use of timbers.

Overall this action aims at contributing to the achievement of SDG15 and the successful
implementation of the FLEG Action Plan in the ASEAN region. A contribution to the
increase in the forest coverage, under sustainable forest management and legal logging in the
ASEAN region, as well as an increase in legal timber traded from the region is pursued. This
action has three components:

**Component 1:** support at regional-ASEAN level; dialogues, coordination and
exchanges between AMS and between ASEAN with major AMS trade partners.
This component enhances regional-ASEAN FLEG(T) ownership, improving coordination, learning, exchanges, capacity building through ASEAN regional bodies, technical working groups and platforms. The activities under this component are supporting the implementation of the ASEAN FLEG Work Plan 2016-2025. Activities aiming at an increased response and recognition for FLEGT licensed timber by other key markets for ASEAN (China and Japan) and strengthened cooperation regarding fighting illegal logging and associated trade in the framework of the EU Timber Regulation are included in this component. Lessons learned from the processes under Component 2 will be used at regional ASEAN level.

**Component 2**: support FLEGT processes and reforms in AMS.

This component will support core VPA-related activities in individual AMS, including negotiation and implementation, and promoting achieving the FLEGT licensing status for timber and products, market acceptability and continuous improvements from licensing countries to the EU and regional trade partners. Lessons learned from these processes at country level will be used at regional ASEAN level in the context of Component 1.

**Component 3**: adapt for implementation in the region best practices on national and sub-national forest governance and management frameworks for sustainable landscape interventions. Increased synergies with the climate change agenda/ REDD+ will be sought using concrete approaches (i.e. sustainable forests landscape approach) under this innovative component.

### 2 RISKS AND ASSUMPTIONS

<table>
<thead>
<tr>
<th>Risks</th>
<th>Risk level (H/M/L)</th>
<th>Mitigating measures</th>
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</thead>
<tbody>
<tr>
<td>National governments will have limited political willingness to implement land and forest reforms.</td>
<td>M</td>
<td>Prioritise countries with a clear window of opportunity. Only support processes with the following minimum conditions in place: openness and commitment to discuss long-standing reform issues of the forestry sector; ability to conduct regular reforms; positive relationships between civil society and government.</td>
</tr>
<tr>
<td>The political changes in some Asian countries might influence priority in promoting FLEGT. Issues on democracy, re-distribution of state assets including forests, and human rights might be up and down in several countries.</td>
<td>M</td>
<td>Develop systematic/structured communication and policy dialogue-driven approach with partner countries and civil society on the issues of democracy and human rights.</td>
</tr>
<tr>
<td>Development risks: more forests are cleared cut to give space for planned deforestation (oil palm, mining, energy (dam and irrigation network), food crop area development, etc.).</td>
<td>H</td>
<td>High-level dialogues at regional (ASEAN) and national levels on development planning in long-term and predictable manner, and in accordance with the ASEAN FLEG Action Plan. Improved coordination between REDD+ and FLEGT actors on regional and national levels.</td>
</tr>
</tbody>
</table>
Financial support at country level in the region is insufficient to respond to the needs for technical assistance for VPA negotiation/implementation.

H  Conduct cost-analysis and financing strategy for all Asian VPAs building on EU-FLEGT partner country action plans and road maps. Identify additional financial support within the EU, from other development partners and through the public budget and domestic revenues of partner countries. Provide FLEGT support outside of the VPA context, as VPA is not the only possibility to cooperate with the EU on this, and in some countries, it is not the appropriate process.

Pursuing FLEGT VPA takes a lot of efforts and time for some AMS. This may reduce interest for moving towards VPA.

M  Provide FLEGT support outside of the VPA context, as VPA is not the only possibility to cooperate with the EU on this, and in some countries, it is not the appropriate process. Addressing alternative incentives for FLEGT timber licensing and increasing facilitation, advisory services and technical support to accelerate VPA processes.

Assumptions

1) Partner governments will set up appropriate legal frameworks and secure relevant accompanying measures to enable investment (including self-investment), following ASEAN-regional recommendations.
2) The EU and VPA countries fully implement the VPAs which are legally binding;
3) Partner countries and regional organisation request advisory services and technical support on the VPA process;

3  LESSONS LEARNT AND COMPLEMENTARITY

3.1  Lessons learnt

In 2018, the Commission released the FLEGT Work Plan 2018-2022 which provides a new framework for the implementation of the Action Plan at country and regional levels. The work plan indicates that ‘the EU will continue to support the ongoing efforts by the ASEAN to tackle illegal logging and related trade and develop a more coherent regional framework, particularly in the context of the recently agreed FLEG Work Plan in ASEAN, 2016 – 2025’. The work plan also indicates that ‘Further work will go into promoting FLEG-REDD+ synergies’. Main lessons learnt from ten years of FLEGT support in Asia and recommendations from external evaluations are:
- The FLEGT Action Plan constitutes an excellent point of entry for increased EU-ASEAN cooperation on forestry.
- The capacity building support for FLEGT action should be continued and strengthened, with the aim of empowering ASEAN MSs to implement the existing FLEGT-related guidelines.
- The EU-ASEAN high-level policy dialogue on FLEGT should be reinforced, at the level of ASOF and AMAF, towards a common position on timber legality.
- FLEGT action should reinforce the strategic alliances such as the ones between ASEAN with major AMS trade partners in the forestry sector.
- FLEGT/REDD+ synergy and debate around forest conservation, sustainable forest management and fighting deforestation should be strengthened.
3.2 Complementarity, synergy and donor coordination
This action will complement the support to FLEGT processes in current VPA partner countries provided by other international organisations, multilateral agencies and EU member states, notably:
- Other programmes which provides assistance to governments and financial support through calls for proposals to other stakeholders (i.e. NGOs, private sector), financed by the EU or other donors. The upcoming ‘Forest for the Future’ facility (managed by DEVCO/C2) which aims at promoting forest-based value chains and boost private sector investments, will also build synergies with this action.
- Programmes focusing on REDD+, including supporting AMS countries in improving land-use governance.
In order to avoid duplication of efforts and resources, coordination will be ensured:
- (at regional level) through information-sharing mechanism.
- (at HQ level) Coordinating with the FLEGT/EUTR Expert Group and the FLEGT ad-hoc Expert Group to ensure good coordination both at global and at EU levels, in the context of the FLEGT Work Plan 2018-2022.
EU Delegations in AMS will use donor coordination mechanisms in place.

4 DESCRIPTION OF THE ACTION

4.1 Overall objective, specific objective(s), expected outputs and indicative activities
The overall objective of the programme is to enhance the sustainable production and trade of legally sourced timber and timber products to, within and from ASEAN region. The specific objective (outcome) of this action is to enhance and demonstrate good forest governance, monitoring and sustainable forest management across ASEAN Member States.

Three outputs, corresponding to the above-mentioned components, will contribute to the achievement of the outcome:

Output 1.1: Improved dialogue, coordination and exchanges between ASEAN Member States (AMS) and between ASEAN with major AMS trade partners in the forestry sector (EU, China, South Korea and Japan)

In order to achieve this output the action will support activities at regional-ASEAN level for the implementation of the ASEAN FLEG Work Plan 2016–2025. Regional-ASEAN meetings and high level dialogues are foreseen, in order to produce decisions, guidelines, recommendations and other documents. This support will work towards an increased mainstreaming of the FLEG(T) agenda in ASEAN platforms. Regional dialogs and collaborations among AMS and with major ASEAN timber trade partners (China, Japan and South Korea) are included in this component. A particular attention will be given to the sustainability of the initiative in the region through improved regional communication and visibility and enhancing capacity and inclusion of key actors (including University-Academia) in the national and regional-ASEAN FLEG(T) processes.

Output 1.2: Enhanced capacity for licensing timber and products
In synergy with the regional-ASEAN activities (component/output 1), this component will work at national level to support the implementation of the FLEGT Action Plan. This component will support core VPA-related activities in AMS countries, including negotiation and implementation, promoting achieving the FLEGT licensing status and promoting FLEGT licensed timber and products, market acceptability and continuous
improvements from licensing countries to EU and regional trade partners. Lessons learned from these processes at country level will be used at regional ASEAN level.

**Output 1.3:** Best practices on national and sub-national forest governance and management frameworks for sustainable landscape interventions adapted for implementation.

Building on the lessons learnt and the recommendations formulated by the evaluations of the FLEGT Action Plan and the previous Asia FLEGT support programmes, this innovative component will look at landscape-based best practices on forest governance and management in the region (sustainable forests landscape approach), as a way to link FLEGT/REDD+ initiatives. Activities will support the review and the analysis of the landscape-based approaches in the region, identifying best practices to be adapted and promoted in other countries, through national and regional-ASEAN efforts.

In line with the EU Development Cooperation Instrument (DCI) Regulation (233/2014), ASEAN is the direct project beneficiary. The ASEAN Member States Cambodia, Lao PDR, Indonesia, Malaysia, Myanmar, Philippines, Thailand and Viet Nam are eligible to participate in the project activities. The ASEAN Member States Brunei Darussalam and Singapore, not being direct beneficiaries, are only entitled to travel and per-diem allowance for their participation in project activities. This is an exception to the general eligibility rule based on the Article 16 of the DCI Regulation as the project is of a regional nature, fostering regional cooperation with ASEAN as direct beneficiary and as DAC-listed ODA-eligible international organisation. The project's objective and design fulfil the criteria for ODA established by the OECD/DAC, as per the requirements of Article 2 (3) of the DCI Regulation, contributing to the sustainable development of partner countries and the implementation of the 2030 agenda by strengthening ASEAN's capacities to respond to disaster emergencies, reducing the losses in lives and in the economic, social, physical and environmental assets.

**4.2 Intervention Logic**

This action aims at improving forest governance and sustainable forest management across ASEAN Member States (outcome).

This will be achieved supporting the EU FLEGT agenda in the ASEAN region, following EU strategic guiding frameworks (FLEGT Action Plan and Work Plan), that are designed to enhance the production of and the trade in legally harvested timber and timber products.

The programme will work at two complementary levels: regionally (ASEAN), with support to the implementation of the ASEAN FLEG Work Plan (output 1), and at country level (AMS), with support to VPA processes (output 2).

The EU FLEGT agenda deals primarily with the question of legality-governance but at the same time has been designed to contribute to EU’s wider objective of encouraging sustainable forest management.

In order to improve sustainable forest management in ASEAN, in line with the new EU FLEGT work plan and recommendations from external evaluations, the programme will also look at the FLEGT/REDD+ link, promoting landscape-based best practices on forest governance and management (output 3).

Through the improved forest governance (legal frameworks and legal timber traded) and promoted landscape-based sustainable forest management approaches, it is expected that the action will ultimately contribute to enhance the sustainable production and responsible trade of timber and timber products within and from ASEAN regional, to be monitored in terms of volumes of legal timber traded and area under sustainable/legal forest management.
Moreover, recognising the importance of the critical role that the private sector can play in fighting illegal logging and related trade, in line with the recommendations from previous evaluations and lessons learnt from the region concerning the private sector and the SME in particular, the programme will be implemented in synergy with another EU-funded initiative aimed at promoting sustainable forest-related value chains and focusing on SME.

4.3 Mainstreaming

The action will contribute to improving governance by strengthening legal frameworks, law enforcement, transparency and participation in decision-making process by all concerned stakeholders. It will systematically promote gender equality by supporting women rights and direct participation in sustainable forest management given the increasingly important role that women play in this sector. Compliance with the Gender Action Plan (GAP) adopted by the Council for the period of 2016-2020, will be ensured by addressing especially its objectives #20 – ‘Equal rights enjoyed by women to participate in and influence decision-making processes on climate and environmental issues’.

It will address concerns for human rights through the adoption of a rights-based approach that would ensure the respect and enforcement of tenure and access rights along with social, cultural, and economic rights especially of forest communities and indigenous people.

Finally, it will integrate environment and climate change as they are the main objectives of the action. Improved enforcement of environmental laws and regulations will contribute to environmental sustainability and halt deforestation. Further, because forests are a large source as well as absorber of CO₂ emissions, the action will contribute to fight climate change and global warming by promoting the sustainable management of forest resources.

4. 4 Contribution to SDGs

This intervention is relevant for the 2030 Agenda. It contributes primarily to the progressive achievement of SDG(s) under the global policy framework, set in the Agenda 2030 and the Paris Agreement in 2015, countries have committed to conserve and sustainably use natural resources, including forest, and to combat climate change and its impacts. It also contributes to the achievement of the Global Forest Goal 17 and Global Forest Goal 5/Target 2 of the UN Strategic Plan for Forests, 2017-2030.

The ASEAN FLEG(T) agenda, in line with the FLEGT Action Plan objectives, is contributing to the achievement of the 2030 Sustainable Development Goals. In particular it addresses SDG no. 15 ‘Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss’. Specifically SDG 15.2 states to promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally, by 2020.

7 Reverse the loss of forest cover worldwide through sustainable forest management, including protection, restoration, afforestation and reforestation, and increase efforts to prevent forest degradation and contribute to the global effort of addressing climate change.

8 Target 5.2: Forest law enforcement and governance are enhanced, including through significantly strengthening national and subnational forest authorities, and illegal logging and associated trade are significantly reduced worldwide.

[11]
In addition, both the FLEGT AP and the ASEAN FLEG agenda contribute to several other SDG's. In particular, it is worth mentioning here: (i) SDG 8 ‘Decent work and economic growth’, notably through the FLEGT AP enhanced focus on private sector incentives towards producing and exporting legal and sustainable timber; (ii) SDG 12 ‘Responsible consumption and production’, notably through the FLEGT focus on public procurement policies and sustainable practices by large and transnational companies; (iii) SDG 13 (Climate action), in particular through its component 3 on forest governance and management frameworks for sustainable landscape interventions.

5 IMPLEMENTATION

5.1 Financing agreement

In order to implement this action, it is not foreseen to conclude a financing agreement with the Association of Southeast Asian Nations (ASEAN).

5.2 Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4 will be carried out and the corresponding contracts and agreements implemented, is 36 months.

Extensions of the implementation period may be agreed by the Commission’s responsible authorising officer by amending this Decision and the relevant contracts and agreements.

5.3 Implementation modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures.9

5.3.1 Indirect management with an international organisation

A part of this action may be implemented in indirect management with one or several entity/entities, which will be selected by the Commission’s services using the following criteria:

- Expertise in relevant forest-based supply chains, forest governance and management, legal frameworks, REDD+, forests landscape approaches, fair/responsible trade.
- Extensive presence in ASEAN countries
- Managerial, operational and logistical capacities to implement the action in the benefiting zone.

The implementation by this entity entails:

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9www.sanctionsmap.eu. Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.
• Supporting the EU in implementation of the EU FLEGT Action Plan (including downstream) in targeted AMS, in close, periodic consultations with other implementing partners, officials, civil society, EU Delegations, and the private sector;

• Supporting the ASEAN Secretariat and AMS in the implementation of the ASEAN FLEGT Work Plan;

Quantify and highlight the broader benefits (climate, biodiversity, SDGs) associated with FLEG(T). If negotiations with the entity fail, the entirety of this action may be implemented in direct management in accordance with the implementation modalities identified in section 5.3.2.

5.3.2 Changes from indirect to direct management mode due to exceptional circumstances

The alternative implementation modality will be procurement and it will replace the implementation modality under indirect management above where this preferred modality cannot be implemented due to circumstances outside of the Commission’s control. The same criteria listed above will be used for the selection.

5.4 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply, subject to the following provisions.

a) With regard to the regional nature of this action, the Commission decides that natural and legal persons from the following countries, territories or regions shall be eligible for participating in procurement and grant award procedures: Brunei Darussalam, Singapore. The supplies originating there shall also be eligible.

b) The Commission’s authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

c) With regard to the aim of fostering regional and trans-regional cooperation, the Commission decides to extend the eligibility of this action to: Brunei Darussalam and Singapore – two countries not being direct beneficiaries are only entitled to travel and per-diem allowance for their participation in project activities.

5.5 Indicative budget

<table>
<thead>
<tr>
<th>Indirect management with international organisation (cf. section 5.3.1)</th>
<th>EU contribution (amount in EUR)</th>
<th>Indicative third party contribution, in currency identified</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5 000 000</td>
<td>0</td>
</tr>
</tbody>
</table>

[13]
Evaluation, (cf. section 5.8), Audit (cf. section 5.9) / Expenditure verification will be covered by another decision
Communication and visibility (cf. section 5.10) N.A. N.A.

Totals 5 000 000 0

5.6 Organisational set-up and responsibilities

The Programme Steering Committee (PSC), chaired by the EU Delegation, with the participation of the ASEAN Secretariat, the EU Directorate General for Environment and the ASEAN countries supported by the programme, will be the body responsible for the general oversight, policy guidance and monitoring of the programme. PSC will coordinate with the relevant EU structures with global overview of FLEGT Action Plan implementation, including the FLEGT/EUTR Expert Group and FLEGT Ad-hoc Expert Group to ensure good coordination both globally and at EU level in the context of the FLEGT Work Plan 2018-2022. The project will at the same time coordinate with the ASEAN Working Group on Forest Management (AWGFM) and the ASEAN Working Group on Forest Products Development (AWG FPD), the already established ASEAN platforms under which FLEG(T) topics are discussed. The Programme Steering Committee will also coordinate with the ASEAN Working Group on Forest and Climate Change (AWGFCC).

AWGs will validate and propose main programme achievements and points of attention to the Senior Officials Meeting (SOM) and to the ASEAN Ministers of Agriculture and Forestry (AMAF) forum (in particular related to components 1 and 3).

At country level, where the programme will specifically support VPA negotiation/implementation (component 2), the relevant platforms (notably the Joint Implementation Committees) already established for VPA discussions will be used. DG ENV and EU Delegations will participate in these platforms' meetings.

Further details of the steering mechanism for this programme will be defined during the inception phase.

5.7 Performance and Results monitoring and reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner’s responsibilities. To this aim, the implementing partners shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the Log-frame matrix.

SDGs indicators and, if applicable, any jointly agreed indicators as for instance per Joint Programming document should be taken into account.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).
5.8 Evaluation
Having regard to the importance and nature of the action, a mid-term and final evaluations will be carried out for this action or its components via independent consultants contracted by the Commission or via an implementing partner.
Mid-term evaluation will be carried out for problem solving, learning purposes, in particular with respect to possible fine-tuning of the approach, for the four components of the action.
Final evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that the action is innovative, in particular components 3.
The Commission shall inform the implementing partner at least 3 months in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.
The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

The financing of the evaluation shall be covered by another measure constituting a financing decision.

5.9 Audit
Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

The financing of the audit shall be covered by another measure constituting a financing decision.

5.10 Communication and visibility
Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.
This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation, in close coordination with DG ENV.
In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.
The Communication and Visibility Requirements for European Union External Action (or any succeeding document) shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.
# APPENDIX - INDICATIVE LOGFRAME MATRIX (FOR PROJECT MODALITY)

<table>
<thead>
<tr>
<th>Results chain: Main expected results (maximum 10)</th>
<th>Indicators (at least one indicator per expected result)</th>
<th>Sources of data</th>
<th>Assumptions</th>
</tr>
</thead>
</table>
| Impact (Overall Objective)                      | To enhance the sustainable production and trade of legally sourced timber and timber products to, within and from the ASEAN region. | 1. Value (EUR) of trade in legal and sustainable timber and timber products from the region.  
2. Forest area (ha) under sustainable/legal forest management in the region. | 1. Gov's reports, independent monitors, trade statistics.  
2. Spatial plans and forest classification maps - Remote sensing. | Not applicable |
| Outcome(s) (Specific Objective(s))              | To enhance and demonstrate good forest governance, monitoring and sustainable forest management across ASEAN Member States | 1.1 - Status of regulatory frameworks at national level governing forest sector and associated trade in legal and sustainable timber.  
1.2 - Status of planning and guiding frameworks at ASEAN and key trade markets level governing forest sector and associated trade in legal and sustainable timber.  
1.3 - Value (EUR) of trade in legal timber and timber products from AMS | 1.1 Baseline and end-line assessment of Government laws, regulations, policies, and development plans.  
1.2 Baseline and end-line assessment of ASEAN planning and guiding frameworks and regulations, government records, project records in key trade markets for ASEAN  
1.3 Government reports, independent monitors, trade statistics, coordination reports on forest trade. | Partner governments will set up appropriate legal frameworks and secure relevant accompanying measures to enable investment, including self-investment, following ASEAN-regional recommendations.  
The EU and VPA countries implement the VPAs which are legally binding. |
| Outputs                                          | Result 1.1 - Improved dialogue, coordination and exchanges between ASEAN Member States and between ASEAN with major ASEAN MS timber trade partners in the forestry sector (EU, China, S. Korea, Japan). | 1.1.1 N. of ASEAN FLEG WP Actions’ programmes supported and implemented.  
1.2 No of ASEAN MS and ASEAN timber trade partners representatives participating in FLEGT related meetings, conferences, workshops (disaggregated by sex, country)  
1.3 No of ASEAN working groups meetings held with the support of this Action with participation of ASEAN country representatives | 1.1.1 ASEAN Working Groups reports; project reports; ASEAN meeting proceedings.  
1.1.2 ASEAN Working Groups reports; project reports; ASEAN meetings proceedings.  
1.1.3 ASEAN Working Groups reports; project reports; summary report and presentation at ASEAN meeting. | The EU has sufficient capacity and to engage in VPA negotiation and implementation processes.  
Partner countries and regional organisation request advisory services and technical support on the VPA process.  
Partner countries support the landscape interventions’ best practices analysis for piloting. |
|                                                  | Result 1.2 - Enhanced capacity for | 1.2.1. N. of countries in ASEAN | 1.2.1 Government reports- |
| licencing timber and products | which developed timber legality definitions, timber legality assurance systems and/or concluded VPA-like agreements (or develop FLEGT-like systems), with the support of this Action and based on FLEGT processes and tools. 1.2.2. N. of countries in ASEAN with improved transparency in the forest sector thanks to the support of this Action. 1.3.1. N. of best practices for sustainable landscape intervention selected and adapted with support of this Action for implementation in 2 or more countries in ASEAN. | regulatory frameworks (timber legality definition; timber legality assurance systems); VPA-like agreements (FLEGT-like systems). 1.2.2 Country and regional shared learning workshops proceedings reports; project records; seminar evaluation sheets. 1.3.1 Compilation of best practices (project reports); Manuals best practices; Minutes-reports of working group meetings. |