

About the EU FLEGT Action Plan

Illegal logging creates social problems, environmental degradation, harms legitimate businesses and costs governments EUR 7-13 billion in unpaid fees and taxes each year. The EU Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan of 2003 is the EU's response to illegal logging.

The EU FLEGT Action Plan aims to close the EU market to illegal timber products through several actions in seven areas, tackling both the demand and supply side of the problem:

1. Support to timber-producing countries
2. Promoting trade in legal timber products
3. Public procurement policies
4. Support to private-sector initiatives
5. Investment and finance
6. Use of legislation
7. Addressing conflict timber

Two key elements of the EU FLEGT Action Plan are the EU Timber Regulation (EUTR) and the FLEGT licensing scheme, implemented through the conclusion of Voluntary Partnership Agreements (VPAs) with timber producing countries outside the EU.

VPAs are legally binding trade agreements aiming to ensure that only legal timber and timber products from the signatory country reach the EU market. 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.

In addition to promoting legal trade, the VPA addresses the causes of illegality by improving forest governance and law enforcement. A major strength of the VPA is that it looks beyond trade to consider development and environmental issues, as well as how policies affect local populations. VPAs thus contribute to action to address climate change, promote sustainable forest management and achieve the UN Sustainable Development Goals

The EU is negotiating or implementing with 15 tropical timber producing countries. Together these countries cover 24% of the world's tropical forests and supply 80% of the EU's tropical timber imports. In April 2016, Indonesia became the first VPA country to clear the final hurdle ahead of FLEGT licensing. VPA implementation is also at an advanced state in Ghana.

The EUTR prohibits the placing on the market of illegal timber and requests EU operators to apply due diligence to ensure that they source legal timber. The regulation entered into application in 2013. In February 2016, the EC released a report on the review of effectiveness of the EUTR during its first two years of implementation. The review confirms that a broad range of stakeholders recognises that the Regulation adds significant value to the international efforts to halt deforestation and forest degradation, conserve biodiversity and address climate change.

The report finds that the EUTR is on track to achieve its objectives to combat illegal logging and associated trade in illegal timber, but that challenges remain. Some positive trends are visible, namely that EU operators are gradually taking steps to ensure the legality of their suppliers and that there is more awareness of the problem of illegal logging amongst EU consumers.

The Regulation has also encouraged producer countries to develop systems assessing compliance with the requirements of the legislation, including by concluding FLEGT VPAs with the EU. However, more effort is needed from both the Member States and the private sector to ensure its effective and efficient application.

Since the EU adopted the FLEGT Action Plan in 2003 other markets have acted to prohibit imports of illegal timber. Australia introduced its Illegal Logging Prohibition Act. The United States revised the Lacey Act to cover illegal logging. Norway, although not an EU member state, chose to implement the EU Timber Regulation. Switzerland is working on a regulation modelled on the EU Timber Regulation. Japan, South Korea and China are all exploring ways to control imports of illegal timber products.