

Support to the Lao EU-FLEGT Process (ProFLEGT)

Supporting the negotiations on a Voluntary Partnership Agreement under the framework of Forest Law Enforcement, Governance and Trade (FLEGT)

Background

Forests play an important role, both in mitigating climate change and in the economic development of Laos. Despite this, almost half of the country's forest cover has been lost in recent decades and the remaining natural forests are under severe pressure and widely degraded. The destruction of forests not only diminishes their unique biodiversity and the ecosystem services they provide, but it also reduces the availability of forest products for local people. This puts the poorest groups of society, whose livelihoods depend on intact forests, at a particular disadvantage.

The causes of deforestation and forest degradation are diverse. They include illegal logging and shifting cultivation patterns, as well as the conversion of forest areas due to infrastructure projects and the expansion of mining, plantations, farming and settlements. Illegal logging occurs on a significant scale in Laos, causing serious social and environmental damage, as well as severe losses of state revenues.

The European Union (EU) adopted its Action Plan on Forest Law Enforcement, Governance and Trade (FLEGT) in 2003. The scheme promotes good governance in the forestry sector around the world, with the aim of reducing illegal logging and strengthening sustainable forestry. It is designed to prevent imports into the EU of illegal timber and wood-based products. The plan includes financial and technical support and advice to timber producing countries, as well as measures to promote the legal timber trade. Central to the scheme are the Voluntary Partnership Agreements (VPA) established between the EU and timber-producing countries.

What we aim for

As a joint initiative of the Lao Government and German development cooperation, this GIZ project supports the VPA negotiation process between the EU and Laos. A VPA sets out the commitments and actions of both parties, in their effort to address illegal logging. A key requirement on the part of the EU is that the VPA negotiations should entail a participatory stakeholder process involving

government agencies, civil society groups, the timber industry and local communities.

The centrepiece of all VPAs is a timber legality assurance system (TLAS), which consists of five main elements. It defines what constitutes legally produced timber, how to control the supply chain, how to verify legally sourced timber and how to issue licenses. It also requires independent monitoring to ensure that the system works well.

In contributing to the VPA development and negotiation process in Laos, the GIZ project focuses on four closely related areas:

- Support for government agencies in managing the national FLEGT process and in negotiating the VPA; here the project also encourages other stakeholders to participate in this process.
- Capacity building for government agencies, civil society organisations, academic stakeholders and the timber processing industry at local and national levels, to prepare them for the elaboration of the timber legality assurance system.
- Testing of the system in three pilot provinces to assess its practical application on the ground. Findings from the pilot areas will be fed back into the process of developing the legality assurance system in order to improve it. Delivered in the form of on-the-job training, this will improve the skills and experience of the actors implementing the system.

Project title	Support to the Lao EU-FLEGT Process
Commissioned by	Federal Ministry for Economic Cooperation and Development (BMZ)
Project partners	Ministry of Agriculture and Forestry Ministry of Industry and Commerce Ministry of Natural Resources and Environment
Project region	National level, three pilot provinces
Project volume	5,800,000 EUR
Duration	September 2013 – February 2018



L. to r.: Shifting cultivation;
Confiscated timber



L. to r.: The destruction of forest diminishes Laos' unique biodiversity and ecosystems; Confiscated chainsaws

- Coordination of the various national forest policy initiatives, in particular the FLEGT and REDD+ processes (reducing emissions from deforestation and forest degradation). Thus it is possible to take advantage of common ground between the processes while deepening the commitments of the actors involved. The coordination mechanisms will take into consideration best practices for FLEGT and REDD+ developed in other countries, as well as regionally and internationally. In turn, Laos' own experiences will also be shared with others at the international level.

Along the timber supply chain, thematic expert groups have been set up to discuss and analyse the following topics relevant to the definition of timber legality:

- Occupational safety and health in wood processing companies
- Log landing from point of harvest to processing factory
- The legal framework for plantations (smallholder and industrial plantations)
- Enhancing private sector involvement in FLEGT VPA
- Export procedures for log landing from processing factory to export point
- Utilisation of timber from forests for village use

The project will test the definition of legal timber as well as the timber legality assurance system, in a number of pilot provinces. In Sayaboury, the pilot measures will focus on plantations, while in Khammouane the focus will be on log landing from point of harvest to processing factory, and in Attapeu on supply chain control in the wood processing sector.

The project works closely with the European Commission, which is acting on behalf of the 28 EU Member States to negotiate the VPA with the Government of Laos, and it liaises with both the EU Delegation in Laos and the European Forest Institute (EFI), which support the FLEGT process.

What we have achieved

In June 2015, the Government Office of Laos approved the start of negotiations between the Government of Laos and the EU to conclude a VPA. The Deputy Minister for Agriculture and Forestry was appointed as the Lao delegation's chief negotiator with the EU. The civil society stakeholders in the FLEGT process have selected five local civil society organisations to represent them in the FLEGT committees.

A Forestry Legality Compendium has been completed, which aims to assess the legal framework for forested land, and the management and use of forest products in Laos. This will provide the basis for defining timber legality. Besides the GIZ project, the assessment process also receives support from the Food and Agriculture Organisation (FAO) and the 'SUFORD-SU' project to scale up participatory sustainable forest management, which is jointly financed by the World Bank and Finland.

Representatives of the relevant Lao ministries and the provincial bodies, as well as members of the National Assembly have discussed the significant discrepancies between the official figures for wood exports from Laos and imports into neighbouring countries. According to Vietnamese and Chinese customs data, these countries import at least five times more timber from Laos than is registered by Lao customs. At the same time, there is a corresponding level of non-compliance with relevant Lao legislation on timber harvesting and sales.

About GIZ Laos

GIZ, as part of German Development Cooperation, has been active in Laos since 1993 and is currently implementing projects in two main priority areas: rural development and sustainable economic development. GIZ also participates in regional projects on behalf of the German Government, for example with the Mekong River Commission.

Please visit www.giz.de/laos for further information on GIZ's work in Laos and worldwide.

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Registered offices Bonn and Eschborn, Germany
Support to the Lao EU-FLEGT Process
Department of Forest Inspection
That Dam Campus, Chanthabuly District
Vientiane Capital, Lao PDR
T: +856 21 255 264
F: +856 21 255 263
E: giz-laos@giz.de
www.giz.de/laos (EN); www.giz.de/laos-la (LAO)

Contact person: Marc Gross
Author: Marc Gross
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On behalf of: Federal Ministry for Economic
Cooperation and Development (BMZ)
Division: Central Asia, East Asia, Laos, Cambodia
Addresses of the BMZ offices: BMZ Bonn
Dahlmannstraße 4
53113 Bonn, Germany
T +49 (0)228 99 535-0
F +49 (0)228 99 535-3500
poststelle@bmz.bund.de
www.bmz.de
BMZ Berlin
Stresemannstraße 94
10963 Berlin, Germany
T +49 (0)30 18 535-0
F +49 (0)30 18 535-2501