

Support to the implementation of the FLEGT VPA in Viet Nam

We support ensuring legal timber value chains in Viet Nam

Context

Illegal logging and trade in illegal timber are global concerns that require comprehensive actions. They are major contributors to deforestation, which accelerates biodiversity loss and the global impact of climate change. According to the UN Environment Programme, illegal logging accounts for 15% to 30% of all global timber trade, and for 50% to 90% of the trade from various tropical countries. The subsequent negative impacts on local communities' livelihood, as well as private and public revenue generation are staggering.

To address these global challenges, the European Union (EU) presented the Action Plan on Forest Law Enforcement Governance and Trade (FLEGT) in 2003. FLEGT is a package of measures designed to restrict illegal logging and trade in illegal timber worldwide. On the supply side, wood-producing countries are supported in strengthening their forestry policies, in particular the traceability of timber and timber products through a Timber Legality Assurance System (TLAS). On the demand side, the Timber Trade Regulation prohibits the marketing of illegally harvested timber and obliges the private sector to comply with due diligence regulations.

Viet Nam's timber industry has been developing rapidly. In 2021, Viet Nam was the second largest country in Asia after China and fifth in the world in terms of timber export value – which reached nearly 15 billion USD according to Viet Nam's Customs data. The furniture industry mainly depends on timber imports. Aside from imports from the United States, New Zealand, and numerous European countries, timber is also often imported from potentially high-risk areas, with a high incidence of timber sourced from illegitimate origins. Recognising the global challenges with trade in illegal timber and the growing role of Viet Nam's timber industry, Viet Nam and the EU signed the Voluntary Partnership Agreement (VPA) on FLEGT in 2018 after six years of negotiations. With this, Viet Nam commits to exporting only legal timber products to the EU. At the same time, the EU agrees to give verified legal products, i.e. 'FLEGT-licensed timber', automatic access to the EU market. In 2020, Viet Nam issued Decree 102 stipulating its TLAS. While this marked an important step in the right direction, the EU and Viet Nam agreed on follow-up actions to enhance the legal systems as well as the capacity of all stakeholders for its implementation.



Project name	Support to the implementation of the FLEGT VPA in Viet Nam (FLEGT)
Commissioned by	German Federal Ministry for Economic Cooperation and Development (BMZ)
Project region	Viet Nam
Lead executing agency	Ministry of Agriculture and Rural Development (MARD)
Implementing partner	Forest Protection Department (FPD)
Duration	01.10.2021 – 30.09.2024

Objectives

The project aims at supporting the stakeholders in Viet Nam in implementing the jointly agreed-upon actions for realising the objectives of the VPA. This includes improving legal, institutional, and operational conditions to align the TLAS of Viet Nam with the requirements outlined in the FLEGT VPA.

To reach this objective, the project activities focus on:

- Updating, enhancing the legal framework, and strengthening the institutional set-up for FLEGT VPA implementation,
- Developing capacities at several levels for due diligence and verification of timber along the value chain,
- Supporting a comprehensive baseline for the monitoring and evaluation framework for the FLEGT VPA implementation.

Approach

The implementation of the FLEGT VPA requires the active involvement, commitment and accountability of a multitude of stakeholders at all levels. The project, therefore, works with government agencies, timber enterprises, and non-state actors alike. It focuses on strengthening the capacity of the FLEGT Standing Office as the coordinating agency for planning and implementing the FLEGT-related policy framework, strengthening the capacity of various stakeholders for FLEGT readiness, and finalising the FLEGT VPA monitoring framework.

Imported wood in Viet Nam with sustainable forest management certificate and bar code for traceability.

Capacity development is organized with relevant government training institutes under the Ministry of Agriculture and Rural Development (MARD) and the General Department of Customs.

The implementation of due diligence along the value chain strongly depends on the capacity and commitment of the private sector. Therefore, in collaboration with the Association of Viet Nam Timber and Forest Product and other local timber associations, training programmes are developed and implemented. They focus on enhancing the understanding and compliance with the provisions of the TLAS.

Other non-state actors are actively involved through the strengthened role of the FLEGT multi-stakeholder Core Group. They are an integral part of the FLEGT monitoring and evaluation process.

The project-specific gender guideline and action plan formulate concrete measures that will ensure gender equality and safeguards in activity implementation. Specifically, this includes mainstreaming equal participation of women and men in all project activities.

Results

In 2022, four technical working groups under the EU-Viet Nam VPA joint steering structure were established. They are tasked with developing the options and clarifying the way forward for several aspects of the VNTLAS to align with the commitments of the VPA FLEGT. In 2023 the results will inform the revision of Decree 102. Other legal documents such as the “circular outlining timber traceability in Viet Nam” are to be updated as well.

Based on a detailed needs assessment, timber traceability, verification of imports or due diligence have been identified as priority topics for the capacity development of timber verification agencies like customs, the Forest Protection Department as well as private sector actors. This will be accompanied by practical manuals and handbooks to improve the overall functionality of the TLAS.

In 2022, three trainings for around 100 private sector actors on due diligence were organised. Also, with the support of the project, Viforest and the Trade Remedies Authority developed three videos guiding Vietnamese timber exporters on how to fulfill the requirements in response to the United States of America Department of Commerce’s investigation on anti-dumping and anti-subsidy of Vietnamese wooden kitchen cabinets and vanities.

The baseline assessment for the FLEGT VPA monitoring and evaluation framework was successfully kick-started in 2022. The Impact Monitoring Task Group comprised of different non-state



The 11th VPA FLEGT Multi-Stakeholder Core Group Meeting

actors supported by a data expert team is currently reviewing available data. This will not only allow the identification of positive and unintended negative impacts that have occurred due to changes in timber-related legislation but also guide the development of measures to mitigate the latter. The baseline assessment and synthesis report will provide the basis for future VPA/FLEGT impact monitoring, especially also on the impact of FLEGT on women and marginalised groups of people.

Gender mainstreaming

The project-specific gender guideline and action plan formulate concrete measures that will ensure gender equality and safeguards in activity implementation. Specifically, this includes mainstreaming equal participation of women and men in all project activities. Additionally, the capacity of women and men is strengthened to enhance their roles in the monitoring and evaluation of FLEGT VPA implementation in Viet Nam.

Digitalisation

While digital information on legality requirements in key sourcing countries for timber – developed under preceding projects – are already online through the LegalLog [website](#) and [app](#), the information will be updated and further promoted. In addition, an E-learning tool for timber companies on how to set up a due diligence system will be developed.

A digital application will allow verification agencies such as customs or the Forest Protection Department to easier identify different timber species that are imported into Viet Nam for further processing. The digital application – wood ID – uses artificial intelligence to analyse macroscopic images of wood samples to identify the specific wood species.

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