



EUROPEAN COMMISSION

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Proposal for a

**COUNCIL DECISION**

**on the signing, on behalf of the Union of the Voluntary Partnership Agreement between the European Union and the Republic of Liberia on forest law enforcement, governance and trade in timber products to the European Union**

## EXPLANATORY MEMORANDUM

The Action Plan on Forest Law Enforcement, Governance and Trade (FLEGT)<sup>1</sup>, endorsed by the Council in 2003<sup>2</sup>, proposes a set of measures, including support for timber-producing countries, multilateral collaboration to tackle trade in illegal timber, support for private-sector initiatives, and measures to discourage investment in activities that encourage illegal logging. The cornerstone of the Action Plan is the establishment of FLEGT partnerships between the EU and timber-producing countries aimed at stopping illegal logging. In 2005 the Council adopted Regulation (EC) No 2173/2005<sup>3</sup> establishing a licensing scheme and a mechanism to verify the legality of timber imports into the EU.

In December 2005 the Council authorised the Commission to negotiate FLEGT partnership agreements with timber-producing countries in order to implement the Action Plan and, in particular, to encourage trade in verified legal timber imports into the EU from partner countries<sup>4</sup>. The Agreement with Liberia is the sixth such agreement to be negotiated, following the agreements with Ghana, Congo, Cameroon, the Central African Republic and Indonesia.

The Commission entered into negotiations with Liberia in March 2009. Negotiations proceeded over two years and involved six face-to-face negotiating sessions and 14 technical discussions by video conference, plus technical working level meetings. Throughout the negotiations the Commission was assisted by Member States, notably the UK which, in this instance, provided resources to facilitate the process. The Commission has kept the Council updated on progress, with reports to the Working Party on Forests and to EU Heads of Mission and representatives in Liberia. After each negotiating session, the parties held public meetings to keep stakeholders informed of progress. In addition, Liberia adopted a highly participatory approach by involving civil society, community representatives, the private sector and a representative of the Liberian legislature in drafting the Agreement.

The Agreement addresses all elements of the Council negotiating directives. In particular, it establishes the framework, institutions and systems for the FLEGT licensing scheme. It sets out the supply chain controls, the framework for monitoring legal compliance and independent audit requirements for the system. These components are set out in annexes to the Agreement which provide a detailed description of the structures that will underpin the assurance of legality afforded by a FLEGT licence.

The Voluntary Partnership Agreement (VPA) focuses on governance and law enforcement and, by means of the licensing system, provides the assurance that Liberia's timber is legally produced. It exemplifies Liberia's commitment to improving accountability and transparency. As a legacy of past malpractice, Liberian timber does not have a good reputation on international markets. The FLEGT licence will reassure international markets that Liberian timber products are from verified legal sources.

The VPA will support on-going regulatory reforms that will strengthen the legal framework, in order to promote sustainable management of forests and to increase the involvement of

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<sup>1</sup> COM(2003) 251.

<sup>2</sup> OJ C 268, 7.11.2003, p. 1.

<sup>3</sup> OJ L 347, 30.12.2005, p. 1.

<sup>4</sup> Restricted Council document 15102/05.

local communities in decision-making processes. The Agreement clearly indicates the areas where reforms are needed and sets out a time frame for these.

Liberia has developed a comprehensive framework for monitoring legal compliance for all types of title holdings, whether trees from community forests, large concessions or privately owned trees on farms, and embracing all aspects of timber production, including allocation of harvesting rights, application of forest management and environmental standards, sharing of benefits, workers' rights and taxes. Compliance will be monitored by the new legality assurance system, which builds on and expands an existing chain of custody system. In addition, Liberia will work with an independent auditor, who will provide regular, public reports on the effectiveness of the system. Civil society will monitor the VPA as a whole, sharing findings with the government, national stakeholders and the Joint Implementation Committee responsible for oversight.

The Agreement goes beyond the limited product coverage proposed in Annex II to Regulation (EC) No 2173/2005 on the FLEGT scheme: it covers all exported timber products, including wood chips, a common by-product of commercial agriculture concessions. Liberia is committed to establishing a system that will provide assurance to the EU that all timber products from Liberia are legally produced and so contribute positively to Liberia's growth.

The Agreement makes provision for import controls at the EU's borders, as provided for in Regulation (EC) No 2173/2005 on the FLEGT scheme and Regulation (EC) No 1024/2008 laying down detailed measures for implementing it. The Agreement includes a description of Liberia's FLEGT licence, which uses the format prescribed in the above-mentioned Implementing Regulation. FLEGT licences will also be issued for timber exports destined to other international markets and an EU-specific numbering system will be introduced to distinguish readily timber exports bound for the EU.

The Agreement establishes a mechanism for dialogue and cooperation with the EU on the FLEGT scheme, via the Joint Implementation Committee. It also establishes principles of stakeholder participation, social safeguards, accountability and transparency, and monitoring of and reporting on implementation of the Agreement.

The Agreement sets out a time frame and the procedures for entry into force of the Agreement and for applying the licensing scheme. Since Liberia will further revise and complete its regulations governing the sector, strengthen its regulatory and information management system, upgrade supply chain controls to cover processing facilities and establish independent verification of legal compliance, it will take several years to develop and test the new systems and to build capacity on the part of the government, civil society and the private sector for the tasks envisaged. The FLEGT licensing scheme is expected to be fully operational by 2014. The licensing scheme will be assessed against the criteria laid down in the Agreement before the EU begins accepting FLEGT licences.

Proposal for a

## COUNCIL DECISION

**on the signing, on behalf of the Union of the Voluntary Partnership Agreement between the European Union and the Republic of Liberia on forest law enforcement, governance and trade in timber products to the European Union**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the European Union,

Having regard to the Treaty on the Functioning of the European Union, and in particular the first subparagraph of Article 207(3), in conjunction with Article 218(5), thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) In May 2003 the European Commission adopted a Communication to the European Parliament and to the Council entitled ‘Forest Law Enforcement, Governance and Trade (FLEGT): Proposal for an EU Action Plan’<sup>5</sup> which called for measures to address illegal logging by developing voluntary partnership agreements with timber-producing countries. Council conclusions on that Action Plan were adopted in October 2003<sup>6</sup> and Parliament adopted a resolution on the subject on 11 July 2005<sup>7</sup>.
- (2) On 5 December 2005, the Council authorised the Commission to open negotiations on partnership agreements to implement the EU Action Plan for Forest Law Enforcement, Governance and Trade.
- (3) On 20 December 2005, the Council adopted Regulation (EC) No 2173/2005<sup>8</sup> which established a FLEGT licensing scheme for imports of timber into the Union from countries with which the Union has concluded voluntary partnership agreements.
- (4) The negotiations with the Republic of Liberia have been completed and the voluntary partnership Agreement between the European Union and the Republic of Liberia on forest law enforcement, governance and trade in timber products to the European Union (hereinafter referred to as ‘the Agreement’) was initialled on 9 May 2011.
- (5) The Agreement should be signed subject to its conclusion,

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<sup>5</sup> COM(2003) 251.

<sup>6</sup> OJ C 268, 7.11.2003, p. 1.

<sup>7</sup> OJ C 157E, 6.7.2006, p. 482.

<sup>8</sup> OJ L 347, 30.12.2005, p. 1.

HAS ADOPTED THIS DECISION:

*Article 1*

The signing, on behalf of the European Union, of the Voluntary Partnership Agreement between the European Union and the Republic of Liberia on forest law enforcement, governance and trade in timber products to the European Union is hereby authorised, subject to conclusion of the said Agreement<sup>9</sup>.

*Article 2*

The President of the Council is hereby authorised to designate the person(s) empowered to sign the Agreement on behalf of the Union..

*Article 3*

This Decision shall enter into force on the day of its adoption.

Done at Brussels, [...]

*For the Council*  
*The President*  
[...]

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<sup>9</sup> The text of the Agreement will be published together with the Decision on its conclusion.