

Support to the implementation of FLEGT VPA in Viet Nam

Context

Illegal logging and trade in illegal timber are global concerns that require conclusive and comprehensive actions. They are major contributing causes of deforestation, which accelerates the global impact of climate change and hastens the decrease of biodiversity. According to the UN Environment Programme, illegal logging accounts for 15% to 30% of all global timber trade, and these numbers sore from as much as 50% to 90% of the trade from various tropical countries. The subsequent negative impacts on local communities' livelihood, revenue generation for governments and responsible companies are staggering. Moreover, this illegal activity often has imputable roots linking it to organised crime.

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. FLEGT addresses both the supply and demand sides of this issue. 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 obligations.

Viet Nam's timber industry has been developing rapidly over the last couple of years. In 2021, Viet Nam was the second largest country in Asia 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,



Imported timber for production at Dong Ky, Bac Ninh

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New Zealand, and numerous European countries, timber is also often imported from potentially high-risk areas, which are considered to be countries having 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, both parties agreed on follow-up actions to enhance the legal systems as well as the capacity of all stakeholders for its implementation over their last meeting in June 2022.

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 along the value chain,
- Supporting the monitoring and evaluation framework for the FLEGT VPA implementation, including the baseline assessment.



The 11th VPA FLEGT Multi-Stakeholder Core Group Meeting

Approach

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

Capacity development is organized with relevant government agencies, such as the Viet Nam Administration of Forestry (VNFORST) and the General Department of Customs. In collaboration with their respective training institutes, specialized curricula are developed, and practical training sessions organised.

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. As such, the baseline report is being developed together with them.

Expected results

The project will deliver updated legal documents such as the “circular outlining timber traceability in Viet Nam” as well as updating Decree 102 to align the TLAS with all aspects of the FLEGT VPA.

Institutional and individual capacities of a wide range of stakeholders will be built for proper implementation of traceability, verification of imports, due diligence, and other facets. The baseline assessment and synthesis report will provide the basis for future VPA/FLEGT impact monitoring.

Gender mainstreaming

The project-specific gender guideline and action plan formulate concrete measures that will ensure gender equality and safeguards in activity implementation.

More specifically, this will include mainstreaming equal participation of women and men in all project activities. Additionally, the capacity of women and men will be strengthened to enhance their roles in the monitoring and evaluation of FLEGT VPA implementation in Viet Nam.



Participants of the study tour to United Kingdom and European countries visiting a wood import company and its timber warehouse in Germany

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