

The future of FLEGT - what will the EU prioritise?

The FLEGT (Forest Law Enforcement, Governance and Trade) Action Plan remains a critical part of tackling illegal logging and improving the lives of forest communities, according to the [EU's Council Conclusions](#) - published in June 2016.

One of the Action Plan's great strengths, as the EU acknowledged, lies in the innovative trade deals it promotes between timber producing countries and the EU, known as Voluntary Partnership Agreements (VPAs). Uniquely, these agreements combine demand and supply-side measures in a mutually reinforcing way. They use trade as leverage to encourage the inclusion of civil society and forest communities in the crafting of new and more just laws, thus shifting the balance of power in countries where illegal forest destruction is occurring.

The [EU Council](#) stressed that VPAs have proved a valuable instrument in promoting and improving forest governance, especially through establishing effective multi-stakeholder participation processes, clarifying legal frameworks, introducing policy reforms, increasing transparency and accountability, and raising awareness. Fern, which works on the ground with partners in seven countries who are either implementing or in the process of signing VPAs, has seen examples of all of these benefits first hand. In over 20 years of working on the issue, we have never seen an EU forest policy or programme which has had similar far-reaching positive impacts.

Our civil society partners in VPA countries are also positive about the benefits as explained in the latest position papers from [Ghanaian](#), [Cameroonian](#) and [Liberian](#) organisations.

Despite the positive results, the Council acknowledged that current human and financial resources within the Commission and Member States are limited, and that some prioritisation, especially regarding the VPAs, is urgently needed. They pointed out that agricultural expansion is now the largest driver of forest loss and that the EU should therefore look beyond the timber sector to meet its 'no deforestation' commitments.

Fern and our partners are therefore waiting for the Commission's draft workplan with much interest to see which priorities it will set and how much funding the Commission and Member States will allocate to this process.

Unfortunately, the draft has not yet been shared with civil society or the private sector for [comments](#), but we hope it will propose to: continue with speed and sufficient resources to ensure implementation of ratified VPAs (e.g. Ghana and Liberia); find diplomatic ways to unblock the process where stuck (e.g. Cameroon); ensure the necessary conditions are in place for a truly deliberative process (e.g. Vietnam, Laos); strengthen support to the domestic timber market and small scale loggers; and continue to support governance reforms and law enforcement including through independent monitoring by civil society.

Beyond the VPAs, the Commission should concentrate on ensuring effective Member State implementation of the EUTR (EU Timber Regulation) and transposing lessons learned from FLEGT – notably the importance of a truly deliberative process - to other commodities and policy areas. A comprehensive EU Action Plan to Protect Forests and Respect Rights would be an obvious way forward.

Africa

Cameroon

VPA status: In implementation since 2011

After six years of implementation, the VPA-FLEGT process in Cameroon advances at a snail's pace. Time is running out: according to the terms of the VPA text, the agreement remains in force for seven years and shall be renewable by tacit agreement. In practical terms, the EU and Cameroon have until October 2017 to decide whether to continue or, by notification, terminate the VPA.

The lack of progress generates frustration and raises questions about political will, capacity and concrete results so far. The development of the computerised forest information management system (SIGIF II), the “backbone of the VPA”, has been considerably delayed and is blamed for blocking the process. Yet while parties focus on the technicalities of SIGIF II, key issues such as participation, transparency and legal reforms seem to have disappeared from the agenda.

In early 2017 the Community and Forest Platform (CFP), the coalition of civil society organisations (CSOs) in Cameroon, [called on the EU Commission and the government of Cameroon to continue with the VPA process](#), reminding them that, despite setbacks, the process has been instrumental in improving transparency, participation and accountability.

However, business as usual is not acceptable: more active engagement to combat illegal logging is required from both sides. The EU should step up its forest diplomacy, ensure that Member States' enforcement of the EUTR prevents illegal timber from Cameroon entering the EU, and proactively address trade of illegal timber with China. Cameroon should address the problem of inter-sectoral coordination at central and local levels and show more political commitment to implement the VPA.

In January 2017 the [government delivered the first certificates of legality](#), a step in the right direction; today some 15 have been issued.

Whether the government delivers the VPA implementation roadmap and finalises SIGIF II by October 2017 is uncertain. If not, the EU may review its support to Cameroon and explore alternative ways to promote forest governance.

The crisis of the EU-Cameroon VPA has attracted the attention of the European Parliament: for the first time in years, Development Committee representatives travelled to Cameroon in May, to understand and explore how to address the root causes of illegal logging and deforestation in the country. It is hoped that this mission encourages political dialogue at the highest level on sensitive issues such as corruption and respecting rights, but more importantly that this dialogue leads to tangible results.

Also in May, a meeting of the CNS (Comité National de Suivi) gathered all stakeholders in Cameroon, including representatives from civil society, indigenous peoples and community foresters, to prepare for the upcoming VPA Joint Implementation Committee between Cameroon and the EU (Comité Conjoint de Suivi (CCS)). Civil society has no official seat at the CCS table but, in the past, has always been invited informally. Unfortunately, this time participation took a hit: civil society was not even informally invited.

Still, late 2016 saw some good news regarding the Annual Forest Royalties (RFA – redevances forestières annuelles) reserved for communities. The 2017 finance law reintroduced [6.75 per cent of the RFA for communities](#) – less than the 10 per cent to which they were previously entitled, but a significant improvement over previous years when communities did not benefit at all from the RFA. CSO campaigns to reintroduce a minimum of 10 per cent of the RFA continue.

The Central African Republic

VPA Status: In implementation since [2011](#)

The [successful 2016 presidential election](#) was an important step towards national reconstruction. Refugees and the internally displaced are returning as

security improves. The [government task is enormous](#); in order to stabilise the country and restart the economy, the politicians must set and implement an agenda to address impunity and the pillage of natural resources, including forests.

The VPA process ‘survived’ throughout troubled times, and [civil society groups have fought to keep forest governance on the political agenda](#). Stakeholders meet on a regular basis and the government is working with the EU delegation to develop the Legality Assurance System (LAS), which will be operational in late 2017. New regulations to improve forest governance have been adopted with input from civil society organisations, including a decree on community forestry and a trade code. CSOs are monitoring their implementation and are collaborating with the government to [pilot the first community forests](#). CSOs further recommended drafting a proper forest policy and an inclusive land tenure reform.

With support from Fern, the NGO Plateforme pour la [Gestion des Ressources Naturelles et de l’Environnement](#) (GDRNE) has ensured that forest communities and indigenous peoples have a seat in VPA implementing bodies. It is important that all relevant stakeholders ensure effective representation of local communities by providing them with adequate support and space to have their voices heard.

In a country recovering from a [severe conflict, access to information](#) remains problematic. Internet access is erratic and reaching out to forest communities is a transportation and communication hurdle. At Joint Implementation Committee (JIC) meetings, the government indicated its awareness that more must be done to improve transparency and, in its 2017 roadmap, committed to improving information sharing.

Fern partner and independent forest monitor [Centre pour l’environnement et le développement durable](#) (CIEDD) signed [a memorandum of understanding](#) with the Forest Minister, an important step that will allow CIEDD to conduct mandated forest-monitoring in all of CAR’s logging concessions. [Earlier monitoring revealed](#)

that affected communities are not properly informed and consulted about logging activities and tend not to benefit from them. The forest administration recognised that widespread illegalities are marring local governance and that a strong response is required.

CSOs are also closely monitoring CAR’s climate commitments and advocating [greater linkages between VPAs and mitigation measures](#). They ask that the national Reduced Emissions from Deforestation and Degradation (REDD+) process be made more transparent, including implementation of the [Central African Forest Initiative \(CAFI\)](#).

Gabon

VPA Status: In negotiation since 2010

During the last six months, progress in negotiating the Gabon-EU VPA has been minimal. Most importantly, EU funding for the work of the body involved in the talks, the joint technical committee (JTC), ended as of 1 February 2017. It appears no other source of funding exists and talks are now being hosted by the private sector.

Generally, an imbalance of power among stakeholders is evident: for example, local communities and indigenous peoples do not participate directly in the VPA negotiations but are supposedly represented by civil society organisations, while private-sector input appears to have more impact. Information on VPA negotiations is [accessible in French](#), but not in a timely manner that allows effective input.

Training on the Timber Legality Assurance System (TLAS) took place 11 - 13 January 2017. Rather than sharing practical information among broader stakeholders, the only participants were the members of the JTC and various administrators. Representatives of the Republic of Congo, Cameroon and CAR shared their experiences.

For about a year, the negotiation roadmap – setting out an agenda and milestones for the negotiations – has been under discussion, but the JTC has been unable to finalise it. The absence of an agreed roadmap has hindered clarification of the roles of different stakeholders and impeded CSOs from fully taking part in the VPA negotiations.

In July 2016, during a weeklong workshop, members of the JTC updated the legality grid in a flawed process that did not allow prior preparation by the different stakeholder groups or sufficient consultation of CSO representatives.

Private sector representatives, although invited, did not take part in this workshop but provided input to the legality grid the workshop drew up. For the past six months, the JTC has been 'consolidating' the proposed legality grid.

Likely due to post-election political tensions, the forest legislation review has not progressed since a multi-stakeholder committee agreed a draft of the Forest Code Bill in July 2016. It is not clear whether the legality grid developments are or will be reflected in the Forest Code Bill and its implementing decrees.

There was more positive news in April when, with some NGO input, the Ministry of Forests issued manuals of procedure clarifying internal processes within the Forest Administration.

Overall, the lack of coordination within government departments as well as among stakeholders constitutes a weakness of Gabon VPA negotiations. There is some hope for improvement: the newly appointed VPA focal point, Nathalie Nyare Essima, was part of civil society before being named by the Ministry of Forests. She has good knowledge of different stakeholders, and according to national partners, is trying to improve coordination.

Ghana

VPA Status: In implementation since 2009

Since general elections in December 2016, Ghana has been in a transitional period. Momentum is picking up under the new political regime, which has clearly stated its commitment to delivering on the VPA. The Minister for Lands and Natural Resources confirmed his intentions by cancelling several special permits for logging; banning the conveyance and trade of rosewood, and calling for an action plan to deal with illegality in the domestic market. This was lauded by civil society.

The process of political transition has been slow but progressive. Under the Ministry for Land and Natural Resources, the Forestry Commission remains focused

on fully rolling out the Legality Assurance System (LAS). Additionally, the EU Ambassador to Ghana has engaged with the new government and the Minister for Lands and Natural Resources to discuss progress with VPA implementation and domestic market reform. There is a clear sense that addressing the political bottlenecks is high on the agenda of the new Minister, who has committed to put the required Legislative Instrument before Parliament as soon as possible.

Relations between government, civil society and industry continue to strengthen. Discussions have centred on the role of civil society in verifying the legality of timber. The government's initial resistance to this has given way to a new willingness to open the process of legality validation to observers, particularly civil society organisations – a remarkable breakthrough. The Forestry Commission's renewed service orientation, discipline and commitment to transparency, particularly on VPA systems development, is very commendable.

Regarding transparency, in the last six months, CSOs produced a list of priority information important for forest communities and civil society. CSOs found the first round of discussions with the government and industry very positive: government representatives stated support for making the requested logging operation information available. Future discussions will seek to finalise the types of data and the form in which to deliver this information to forest communities, civil society or industry.

The Forestry Commission is building the capacity of its staff to use the new electronic Wood Tracking System, part of the LAS. The Ghana Forestry Commission and the EU will jointly assess the LAS after the May 2017 Joint Monitoring & Review Mechanism (JMRRM) meeting. This assessment is expected to declare the readiness of the LAS to deliver FLEGT licences.

Meanwhile, CSOs are building their technical capacity to observe both the Forestry Commission's internal audits, and the official VPA Independent Monitor's external audit of the Ghana LAS. CSOs have also begun discussing harmonising different approaches to civil society-led Independent Forest Monitoring of the LAS, and the effectiveness of different independent forest-monitoring approaches.

In late 2016, CSOs and the government completed a draft Legislative Instrument that addressed barriers to the implementation of the Ghana VPA: special permits, conversion of old leases to Timber Utilisation Contracts (TUC), introduction of small-scale TUCs and strong provisions for transparency. CSOs and the government worked closely on the Instrument, and all involved parties are positive about the finished draft text. Unfortunately, it was too late to be passed in the last Parliament, which closed on January 6, 2017. The new Legislative Instrument will be reintroduced to the new Parliament, likely before August 2017.

Liberia

VPA Status: In implementation since 2013.

If the VPA process remains on track and EU and UK funding is not halted, FLEGT licenses may be available from 2020 onwards.

Liberia's VPA process has been the most inclusive to date: local NGOs and communities have ample seats at the table. The NGO coalition was formed in 2016, during the unstable years after the civil war, funded in part by logging. Despite this difficult start, the VPA NGO coalition has been remarkably successful in ensuring that Liberia's resources are used for the benefits of its citizens, obtaining the benefits communities are owed by law, and making existing and new community structures function and be accountable to community members.

Due to a strong focus on gender issues and enhancing women's participation, the number of women participating in VPA implementation, and attending local-level forestry/VPA meetings, has increased significantly.

Concretely, the work of local NGOs [Sustainable Development Institute](#) (SDI) and FCI has led to improved legal enforcement and the fair and transparent distribution of the community land rental fees, which had been outstanding for a decade. Local communities now receive and spend their fee share. USD 735,430 has been disbursed in the last two years, allowing affected communities to undertake 22 projects.

To ensure the money is well spent, local NGOs have trained and supported communities in setting up accountable structures and negotiating better deals from timber companies through 'social agreements'. Sixteen out of 22 Community Forestry Development Committees (CFDCs) have now received a revised Social Agreement template and will renegotiate them with the logging companies. Several communities have been trained in financial management. Indeed, with NGO support, the National Union of CFDCs is now an active participant in the VPA process.

NGO advocacy has slowed down the approval of Community Forest Management Areas (CFMA) for logging until a revised regulation was approved. However, with more than 120 applications pending and the logging sector keen to log in these CFMAs, the approval process could easily get out of hand and lead to increased and unsustainable or even illegal logging.

Importantly, at the last JIC, the Forestry Development Authority (FDA) made a commitment not to allow commercial logging in agricultural concessions, and to exclude conversion timber from the VPA. The FDA stated, "The government of Liberia has no intention of allowing timber from agricultural or mining concessions into the chain of custody system and/or exports".

In summary, to a large extent, VPA involvement is helping to build the capacity of government, industry and civil society. However, the country goes to election in October 2017 and there is uneasiness regarding its outcome.

Republic of Congo

VPA Status: In implementation since 2010

Despite technical progress in developing a computerised TLAS, financial constraints have delayed its effective deployment. Nevertheless the independent auditor, a compulsory component of the TLAS, undertook its first audits earlier this year and recently received its first complaint.

Five years after its launch, the reform of the Forest Code remains stalled, and upcoming parliamentary elections may delay it further. Illegal deforestation

caused by [palm oil development continues unabated](#).

Congo and other African nations [signed an agreement](#) to move toward sustainable palm oil production at the November 2016 UN Climate Summit in Marrakesh. It is hoped that the government will take a zero tolerance stance toward operators that violate national legislation. The government's recent suspension of Atama's conversion activities in the Sangha is a positive step.

Another important development, the inclusion of the timber sector in the national process linked to the [Extractives Industries Transparency Initiative \(EITI\)](#) will lift the veil on forest revenues. Published in late 2016, the 2014 EITI [report](#) lists the payments received by the government, but not disclosures by companies. It is important that future EITI reports reconcile forest revenues and payments to provide an accurate picture of the financial contribution from the sector.

The government often laments that CSOs are too critical and not supportive of government action, and there is little government understanding of the function of CSO advocacy in contributing to improved governance. Transparency and broad participation suffer as a result.

In late 2016, the parliament adopted a [law](#) that restricts civil society action and freedom to raise funds from foreign sources, despite CSO protests against the detrimental provisions of the law.

The official FLEGT VPA website has been down for several months, limiting stakeholder access to information about VPA-related developments, nor have there been any major VPA awareness-raising campaigns for local communities.

The [Central African Forest Initiative \(CAFI\)](#) awarded an initial grant of USD 698,000 to Congo to develop its REDD+ National Investment Framework in which stakeholders manage resources to implement the National REDD+ Strategy. Yet the discreet launch of the initiative raised concerns about civil society and community involvement in its implementation. At an April 2017 [meeting](#) on linkages between CAFI, FLEGT, and REDD+, hosted by Fern's local partner [Forum pour la Gouvernance et les Droits de l'Homme \(FGDH\)](#), civil society groups called for CAFI to support faster governance reforms including those triggered by the

VPA, and ensure involvement of local communities in CAFI-funded projects.

Despite difficulties, some progress is being made. Civil society groups welcomed the March 2017 adoption of Congo's [transparency code](#), which includes provisions on public access to information, and hope that the government will match commitment with action. The local CSO platform regularly participates in VPA meetings, and is able to engage with the government and parliamentarians in country and at [international fora](#). They met with the Forest Minister in March 2017 to discuss the forest reform, conversion and community forestry. CSO independent monitoring work and support to community awareness-raising have led them to coalesce with local authorities in the Sangha to ensure that logging companies meet their social obligations. CSOs have been able to use reports about legal infractions from [Cercle d'Appui à la Gestion Durable des Forêts \(CAGDF\)](#), the [independent forest monitor](#), to raise concern about forest conversion for palm oil and [illegal logging permits](#) and mining in forest concessions.

Still, overall participation must be more inclusive and diverse: indigenous groups and local communities are represented in the CSO platforms but do not have a seat in the VPA structures, and progress on their direct representation is slow.

Asia

Indonesia

VPA status: FLEGT licencing started 15 November 2016

After more than 10 years of negotiations, the FLEGT licensing agreement between the EU and Indonesia officially came into effect 15 November 2016. The EU formally recognises the Indonesian TLAS, called SVLK in Indonesia. FLEGT-licensed Indonesian timber products that are listed in the EU-Indonesia VPA automatically comply with the EUTR regulation and can be placed on the EU market without requiring operators to conduct due diligence.

The government is quite committed to delivering requirements under the VPA. Engagement with civil

society is particularly strong and transparency is continuously improving. Specialist technical capacity within the government is also getting stronger. However FLEGT remains a fledgling and needs further nurturing.

The SVLK tries to empower smallholders and to provide incentives for participation. Schemes for small and medium enterprises are customised, for example by reducing the need for surveillance. Group certification also helps smallholders.

In terms of law enforcement, some work still need to be done. Civil society has filed several complaints to the Ministry of Environment and Forests, yet the follow up has not occurred as expected - no response within the agreed timeframe was received.

Laos

VPA Status: In formal negotiations since 2017.

When informal discussions started in 2012, most people believed it would be impossible to pursue the VPA process in Laos because local CSOs and communities had no opportunity to participate freely and independently in decision-making, or to voice opinions that differed from the government line without risking serious personal danger.

The situation seems to have evolved for the better. Issued in May 2016, Prime Ministerial Order n°15 addressing [illegal logging](#) and improving domestic timber business operations has made a real, measurable change, and the public seems to have taken note. Illegal logging and exports have decreased significantly, as shown by analysis of Vietnamese customs data released by [Forest Trends](#). For some observers, this clearly indicates some commitment on the part of Lao top leadership to fight illegal logging. The FLEGT process is seen as the formal mechanism for allowing logging and export to re-start.

Coordination between ministries is a challenge. The VPA process has resulted in increased coordination between the Department of Forestry Inspection, under the Ministry of Agriculture and Forestry, and the Ministry of Industry and Commerce. The Ministry of Labour and Social Welfare also participates strongly. Participation of the Ministry of Natural Resources and Environment and the Ministry of Justice should, however, be improved.

The roles of the government, CSOs and timber industry are not yet clear, but the spirit of cooperation is strong. For example, all stakeholders presented freely during the Joint Expert Meeting. Information is posted fairly reliably at flegtlaos.com. The information is not always timely, but stakeholders are able to request information not shared online. More challenging is the lack of relevant studies or analyses.

Civil society is building its capacity; this may be gradual but must be steady. CSOs represent the poor and rural communities traditionally excluded from negotiations, and are currently making efforts to include community representatives in the negotiation process. At the moment however, there is no representation of local people or minority ethnic groups.

Malaysia

VPA Status: In negotiation since 2006, stalled since 2014.

Elements within the Malaysian government are keen to pursue the FLEGT VPA, but is uncertain whether or when negotiations will resume.

Sarawak's refusal to be part of the agreement is described as one of the main challenges to concluding the negotiations. Negotiations in 2013 and 2014 were therefore focused on finalising the TLAS of Peninsular Malaysia and holding technical discussions on the Sabah TLAS. In December 2016, both the TLAS documents were described as 'almost finalised'.

The Sarawak matter was reportedly brought before the federal cabinet, which then decided that Sarawak's participation in the VPA would be based on a phased approach. Meanwhile, the EU continues to emphasise that the VPA must include a time-bound commitment by Sarawak to implement the VPA and a description of how Sarawak's integration will occur.

The Malaysia FLEGT Protem Secretariat, established by the Ministry of Plantation Industries and Commodities in May 2011 to support the preparation and implementation of the VPA and the TLAS, is now reportedly 'without a function'.

The TLAS in Sabah is being implemented through annual surveillance conducted by a third party auditor

that reports to the State Forestry Department. Information is available at <http://www.forest.sabah.gov.my/discover/tlas>. Occasionally NGOs are invited to participate, should there be any review required, but their role is unclear and limited to attending stakeholder consultation meetings or workshops.

Myanmar

VPA Status: Informal talks; no formal negotiation yet

In line with the FLEGT Action Plan recommendations, the European Commission wants assurances that the foundations – political will, effective engagement and capacity – are strong enough that negotiations and implementation are not dragged out over many years.

The Ministry of Natural Resources and Environmental Conservation, through its Forest Department, continues to be the most engaged government agency in the FLEGT Interim Task Force. A representative Multi-Stakeholder Group (MSG) will take over this preparatory task force, which also encompasses the Ministry of Planning and Finance, the Ministry of Home Affairs and the Ministry of Commerce.

The FLEGT Interim Task Force approved the terms of reference for the MSG, which sets out in some details about how it will function, including how decisions will be reached, as well as expectations from different stakeholder groups.

There is still much work to do in the area of transparency but there appears to be strong, high-level willingness to make progress. The FLEGT Secretariat will develop a website in Burmese and English as part of the communication strategy.

CSOs are represented and participate actively in the FLEGT Interim Task Force, and will have nine representatives (yet to be self-selected) on the MSG. Self-selection of CSOs and private sector representatives will be a challenge. Outreach missions to states and regions have started to explain the VPA to communities and the broader public as well as to learn their concerns.

A national NGO, ALARM, has been promoting VPA awareness and setting up platforms at regional and national level. In addition to outreach missions,

several national-level training sessions have been held for all stakeholders. However, due to the size of the country and ongoing conflicts in several areas, it is impossible to reach all groups. Also, the most powerful groups (military) and so-called “crony companies” have not participated so far, although they are likely to have influence.

The need for legal reform, especially concerning land rights, has been recognised with the adoption of a new land use policy in 2016. However this must be operationalised in law, which is still under discussion.

Similarly, a new Community Forestry Instruction has been agreed but awaits amendments to the existing Forest Law to be formalised. The need to review existing timber regulations has been recognised, but so far no progress has been made.

Vietnam

VPA Status: VPA initialled 11 May 2017

Since Vietnam and the EU announced the conclusion of the negotiation process on 18 November 2016, both parties have focused on completing the VPA annexes for initialling in May 2017. The relevant government department (VNFOREST) posted a draft version of the legality definition on its website only on 10 March 2017, and its officials occasionally present updates in some workshops for industry associations, the Forest Protection Departments and CSOs.

Although the fact that the VPA has just been initialled is an important milestone in the process, in terms of progress against indicators for good forest governance (accountability, participation, transparency, power balance, capacity), the process in Vietnam has been disappointing.

VPA updates by VNFOREST give some idea about the roadmap for preparation and implementation of the VPA. The roles of government, industry associations and CSOs are broadly mentioned in each stage of the roadmap, but accountability falls well short of expectations. CSOs have to wait for official documents to be shared, on the government’s terms, to get a clear picture of the roles each party is supposed to play.

Over the past six months, CSO participation in the VPA process was limited to attending the third National Consultation workshop on the VPA in October 2016. Since the information was provided to participants (in hard copies only) during that workshop, only the draft legality definition was made available on the VNFOREST website in March 2017 – an indicator of the limited transparency of this process. Notably, only *after* initialling were the VPA texts made publically available (in English only, at the time of writing, so national CSOs must wait before they can analyse and agree a common position on them).

CSOs, communities and indigenous peoples do not have official seats in the negotiation process. Through community consultation and research, CSOs have brought the concerns, constraints and expectations of households and communities to the attention of negotiators and policymakers in the form of written recommendations, policy briefs and presentations at meetings, but there remains a significant power imbalance insofar as contributions from non-state actors are always on the government's terms and the government reserves the right to accept or reject any proposals from civil society.

On a practical note, capacity-building activities for the government, industry and CSOs (including communities) have continuously been conducted by FLEGT projects. However from the perspective of VNGOs engaging in the VPA, limited funding will restrict activities in the immediate future.

Vietnam is in the process of revising the law on forest protection and development. In the drafting process, the VPA has been taken into consideration, but concerns about law enforcement, governance and corruption remain: as long as the government is not held accountable by independent CSOs who are able to raise concerns without fear of intimidation, it can continue to act with impunity.

Latin America

Guyana

VPA Status: In negotiation since December 2012

Four formal negotiation sessions have taken place between Guyana and the EU on the VPA, the last one in March 2016. Critical concerns, including key issues regarding customary land tenure security, raised by indigenous communities and organisations since the start of the negotiations in 2012 are still not properly addressed; despite this, Guyana is preparing for field-testing of the Legality Assurance System (LAS) in June 2017.

The body leading the negotiations for Guyana, the National Technical Working Group (NTWG), has, however, made noticeable efforts to reach out to a wide range of stakeholders, including indigenous communities. New versions of the draft VPA annexes are posted for comment on the website of the Guyana Forestry Commission (GFC) and a round of awareness-raising or consultation workshops were carried out in January/February 2017 to reach communities that cannot access this information on the internet. A matrix summarising the comments and questions collected during these outreach sessions and NTWG's responses to these are available on GFC's website. It is commendable that the GFC has taken steps towards enhancing transparency.

Despite these efforts, the matrix as well as the responses to technical inputs made by the Amerindian Peoples Association show that NTWG's position on the substance of the VPA has not changed: The NTWG holds that land issues cannot be resolved through this agreement, but that the VPA process can support other efforts aimed at addressing land issues. The NTWG also continues to claim that the VPA can relate only to national laws. Yet it excludes the Constitution – which contains vital protections for indigenous rights to lands, territories and resources – from the national legal framework.

The result is an almost-final VPA that does not yet protect the customary lands of indigenous peoples that have not been formally recognised by the state,

and that allows timber to be harvested from such areas without the free, prior and informed consent (FPIC) of the customary owners. A VPA signed in the current status could lead to the forced displacement of indigenous peoples from their customary lands if they are seen as ‘illegal occupants’.

The EU finds itself at a crossroads: Will it accept to enter into an agreement that fails to uphold its international human rights commitments and obligations? Or will it act on the recent [Council Conclusions](#) and use the Guyana VPA as an opportunity to take a stand for a rights-based approach to forest governance, built on the FPIC of indigenous peoples?

Honduras

Official VPA status: In negotiation since 2012.

In October 2016, field-testing began, gathering the views of some 200 stakeholders on such matters as the definition of legal timber and the proposed TLAS. This is a fundamental milestone as it helps identify priority actions needed to ensure the VPA’s full and effective implementation. This is particularly relevant to the successful operation of the TLAS.

The field-testing identified challenges and shortcomings to be addressed in the VPA annex on ‘accompanying measures’. While the provisions surrounding the legality grid had been previously scrutinised and were deemed fairly strong, matters such as inter-institutional coordination, progress on land titling, and FPIC triggered greater concern. [CSOs](#), however, remain sceptical about the government’s capacity and commitment regarding the agreed accompanying measures.

One hot topic in the negotiations is the approval of a legal framework to establish FPIC of affected communities. Honduras is signatory to the International Labour Organisation Indigenous and Tribal Peoples Convention. With the United Nations Development Programme’s support, the country is undertaking a consultation process that should lead to a draft bill that includes provisions on FPIC for the National Congress to consider. This is generating great interest among VPA stakeholders.

At a broader scale, it is not possible to understand the VPA process without considering the delicate political moment Honduras is experiencing. Since 2009, the country has been affected by substantial political uncertainty. General elections will take place in late November 2017. Although the Honduran Constitution prevents any President from seeking a second term in office, for the first time in 50 years, the current President will seek re-election. The elections will have an impact on all processes related to strengthening governance, and the VPA will be no exception.

Despite these challenges, it is worth highlighting that the process of negotiating the VPA has involved unprecedented participation by non-governmental stakeholders, environmental defenders, agro-forestry groups, indigenous peoples’ organisations and private sector representatives. They have all worked together in Environmental Governance Platforms, which are active in six of the country’s 18 regions.

There is overall agreement that the VPA is an opportunity to open spaces for dialogue. It can therefore also help improve relations between social movements and the government, which is particularly valuable given that such relationships are becoming more complex with the growing vulnerability of human rights and environmental defenders.

These occasional ForestWatch Special - FLEGT VPA updates represent civil society perspectives of VPA processes around the world. They are curated by Fern, and are a collaborative effort of civil society representatives across numerous countries, including the co-managers of [LoggingOff.info](#), the online resource for civil society perspectives on VPAs.

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