

The FLEGT Export Licensing Scheme

INTRODUCTION

The European Union (EU) Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan (2003) is EU's response to international concern for illegal logging with the EU as an important market for illegally harvested timber.

The EU Council Regulations (2173) was adopted in 2005 to enable the establishment of a voluntary FLEGT Licensing Scheme to cover exports of legal timber and timber products to the EU through Voluntary Partnership Agreements (VPAs).

THE FLEGT ACTION PLAN

One of the key elements of the EU FLEGT Action Plan is the setting up of a Legality Assurance System (LAS) to provide an objective, transparent and credible means of distinguishing between legally and illegally produced timber and timber products. The LAS has five elements that are interlinked and work interdependently. These are:

- i. A **legality standard** that defines the legal requirements that must be complied with by the timber companies;
- ii. A national **Chain of Custody System (COCS)** to monitor the movements of timber and timber products from approved forest concessions to the point(s) of export or sale on the domestic markets;
- iii. **Verification of compliance** with the requirements of the defined legality standard and the COCS;
- iv. **Issuance of FLEGT Export Licenses** to cover those parcels of timber and timber products that pass the compliance tests in connection with items (ii) and (iii) above, and
- v. An **Independent audit** of and reporting on the LAS implementation to ensure the credibility of whole system.

THE LEGALITY MATRIX

The definition of legality has been developed by the stakeholders in Liberia based on existing Liberian laws and regulations. This is termed the **Legality Matrix** and is included in the signed VPA. It provides a framework for verifying timber and timber products that have been produced legally.

The Legality Matrix:

- Covers all aspects of timber production from the allocation of timber harvesting rights through harvesting and transportation to the points of sale/export.
- Indicates that the LAS process will be applied to all timber and timber products exported from Liberia irrespective of the country of destination.

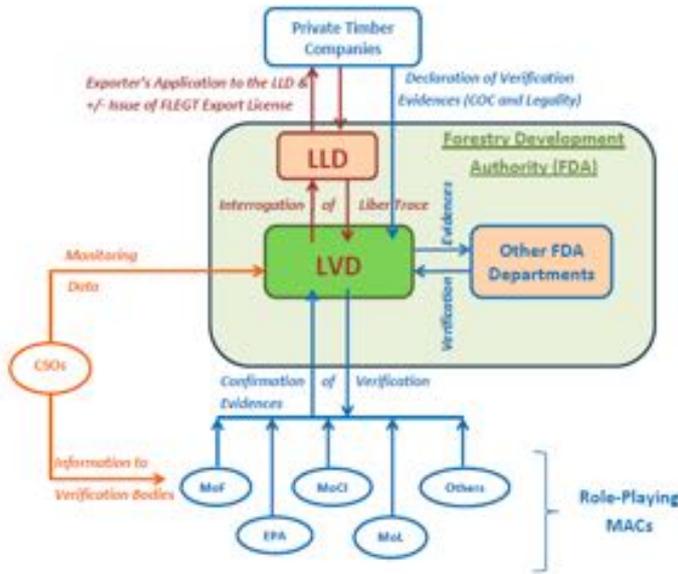
RESPONSIBLE INSTITUTIONS

The signed VPA prescribes the creation of **two new institutions** within the FDA to be responsible for the implementation of the LAS. These are the following with indications of their respective functions (see also Figure 1):

- The **Legality Verification Department (LVD)** will compile verification evidences on the private timber companies with regards to their compliance with the Legality Matrix and the COCS. And
- The **Liberia Licensing Department (LLD)** will issue FLEGT Export Licenses (FEL) based on the interrogation of LVD's database of collected verification evidences

The procedure for the issue of FLEGT Export Licenses is described below.

Figure 1: LVD Functions & Verification Evidence Gathering Linkages (Derived from VPA Annex II)



Legend: Issue of FLEGT Export Licenses – purple lines; Verification evidence gathering - blue lines; CSO's (inc. the forest communities) monitoring activities – orange lines

FLEGT EXPORT LICENSE ISSUING PROCEDURE

- The LVD will obtain objective evidences of the private timber companies' compliance with the Legality Matrix and the COCS. This will be done as close as possible to the entity that is responsible for generating them (i.e. as close as possible to the source). In most cases the information will be collected at one of the following two sources:
 - The **Other Role-playing FDA Departments**, and
 - the **Private Timber Companies**

Where there are inconsistencies in any of the assembled verification evidences, the LVD will consult the relevant **Role-Playing MAC(s)** to rectify them (See **Figure 1** for the interaction of the other FDA Departments, private timber companies, and the MACs with the LVD in connection with the supply of credible verification evidences).

- The LVD will populate the database at the LVD (i.e. LiberTrace) with the credible documentary evidences acquired from the FDA and the Private Timber Companies

- Exporters will apply to the LLD (soon to be established) for FLEGT Export Licenses.
- The LLD will in turn query LiberTrace to check the status of the applicants' compliance with all the requirements of the VPA so as to determine whether or not to issue FLEGT Export Licenses (FELs) to the timber and timber products exporter applicants.
- An FEL is issued to an exporter applicant by the LLD if all the requirements of the VPA are confirmed to have been met
- The LLD will thereafter:
 - Communicate the decisions regarding issues of the FELs internally to the FDA as well as to national and international VPA stakeholders, and
 - Keep records for tracking all licensing applications and decisions.

The Figure 1 shows the interactions within the FDA as well as between the LVD and the relevant role-playing MACs and the CSOs in connection with the issuance of a FLEGT license to an exporter applicant.

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