

FLEGT Week 2015 – Closing Plenary

Thursday 19 March

Closing Speech, Commissioner for International Cooperation and Development, Neven Mimica

Ladies and Gentlemen,

I am pleased to be with you to conclude what has clearly been an exciting and constructive FLEGT week. I want to thank all of you for your contributions.

Why is FLEGT such an important initiative?

The obvious answer would be because FLEGT is about legal logging and the Legality of Timber and Trade. But it is more than that: It is about Transparency and Accountability. It is about Policy reforms. It is about Legislation, Rule of Law, Justice. It is about equitable use of natural resources and about avoiding Deforestation and Degradation. These are all pressing issues for developing countries.

Forests are increasingly at the heart of several international agendas. Rightly so. They are central to human development and the green economy, as leaders from Central Africa recently reminded us. Forests are central to global efforts to combat climate change; they are key to preserving biodiversity and sustaining the diversity of ecosystem goods and services that they provide. Forests are also key to the economies of many of our partner countries: for example, the forest sector represents 17% of Liberia's GDP. They generate jobs and incomes, often in poor rural areas with few alternative sources of income.

Yet forests are under growing pressure. Deforestation rates are alarming in many tropical regions, due to a number of factors that include the expansion of agriculture and mining, increasing demand for wood energy and illegal logging.

Good forest governance and law enforcement are the common underlying conditions for the success for any efforts to address the causes of deforestation. FLEGT is precisely about setting these enabling conditions.

As one of the biggest global market for timber, the EU is part of both the problem and the solution. That is why I am proud of this ground-breaking scheme.

FLEGT can also bring significant added benefits in the fight against organized crime, which is increasingly involved in illegal harvesting and wildlife crime, threatening peace and stability in many partner countries.

It is about collective action, shared responsibility and innovative approaches. By linking responsible trade, governance and development and by bringing together the efforts of governments, the private sector and civil society (in the EU and in partner countries), FLEGT can provide inspiration to future initiatives to achieve the Sustainable Development Goals that we hope to adopt in September.

I have listened carefully to the representatives of our partner countries and I would firstly like to congratulate **you all** for deciding to initiate a Voluntary Partnership Agreement with the EU.

It demonstrates political courage and a strong conviction to improve overall governance. It also shows commitment to change for the better.

Just through initial negotiations, it reveals the political willingness of the governments to transform and move forward, showing serious intent to address wider issues that affect the forests and around 1 billion people whose lives depend on them. It also affects the global society as deforestation is the second largest source of greenhouse gas emissions.

Without a clear and decisive political will, neither FLEGT nor the Voluntary Partnership Agreements can make progress or succeed.

Some governments have initiated Voluntary partnerships because of the economic incentives they can potentially bring to local economies. In this way, they can help secure timber exports to the EU.

I hope it will also facilitate access to other markets with the same standards that the EU has set under the EU Timber Regulation. I am thinking of the USA, Australia or Japan. But I am sure others will join us soon. For two years China has also shown growing interest in FLEGT licensing and the Voluntary Partnerships as a way to secure its own supply of legal timber.

In fact, the process of preparing such Partnerships can bring enormous additional benefits, for example improving overall forest governance and the management of other natural resources.

No matter what amount of aid is provided, real change, development and growth can only be achieved if such transformation comes from inside with real national ownership and led by a wider range of stakeholders.

FLEGT provides the opportunity for this.

We need to engage fully with the private sector: It is the driving force in the forestry sector. Particular attention needs to be given to Small and Medium-sized Enterprises. They are the backbone of our economies, both in the EU and in partner countries.

A country can only grow by building good governance, attracting international investment and providing a more compelling case for its citizens to invest at home. This requires clear rules and regulations that provide legal security and a reliable framework for investors. Effective judicial procedures need courts that can be trusted to adjudicate disputes fairly. Serious efforts are also needed to root out corruption. Communities that are dependent on forests for their lives need protection. And transparency is necessary to ensure that public resources are used accountably and effectively to the benefit of society as a whole.

FLEGT has demonstrated that it can support improvement in many of these areas with the potential to increase tax revenues. Only if more actors participate in regulated activities, can increased tax revenues be collected.

The road has been long but it has been worth travelling. And it still is.

I know that sometimes the most difficult elements to combine are the need of private sector for quick solutions and the more long term process that is needed if social transformation of a sector is to succeed.

It is a fine but difficult balance and we must remain mindful of the reality and the difficulties of doing business in sometimes unstable conditions.

The private sector is one of principal actors at the heart of the Voluntary Partnerships. We will not succeed without its full participation.

I would also like to recognize the critical but constructive role of civil society.

Voluntary Partnerships contributed to improving transparency and promoting dialogue. They have also opened political spaces of participation for non-state actors; and in many cases have helped to clarify legal frameworks.

Effective and constructive participation is critical from non-state actors to provide checks and balances and ensure accountability.

They can also help to mobilize local resources and social capital, share information and bring marginalized groups, local communities and indigenous people into play, thus helping to improve local governance and territorial cohesion.

But that's not the whole story.

With the space created and the momentum for change in many countries, we must recognize the efforts of our colleagues who, sometimes at considerable personal risk, are involved at the sharp end of the FLEGT story, highlighting concerns and the transgressions of those involved in illegal trade.

Recent events have been a stark reminder of the risks taken by environmental activists. Over the last few years, a number of forest activists have lost their lives or have been jailed. I would like to pay tribute to these people. And call on our partner governments to ensure their protection.

Over the last 12 years we have all been at the forefront of global efforts to tackle illegal logging and promote better forest governance. Through our collective action, we have achieved a lot.

The EU is fully committed to remain in the lead so that further progress can be made.

At the same time, we are aware that we all need to be more effective and to deliver and demonstrate the impacts of what we do.

We need to streamline processes where we can. We need to match ambition with reality. This is a key condition to sustain momentum.

2015 and 2016 are critical years. There is potentially a significant juncture ahead when we expect to receive the first FLEGT licenses in the EU market in 2016. Indonesia and Ghana have made great progress in this direction.

I am sure this is going to be a turning point in the FLEGT process.

I listened carefully to the conclusions of the different seminars and to the visions outlined by the members of this panel.

They are an excellent starting point for our work in the next 12 months. They will feed into the evaluation of the FLEGT Action Plan and our reflection on future EU action in this area. They will also assist us in moving forward and succeeding in this very stimulating policy area.

I would like, once again to congratulate and thank you for all your efforts and wish you every success in the coming years.