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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 Co-operative Republic of Guyana on forest law enforcement, governance and trade in timber products to the European Union

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

• Reasons for and objectives of the proposal

The action plan on forest law enforcement, governance and trade (FLEGT)¹, endorsed by the Council in 2003², proposes a set of measures to stop illegal logging. These measures include support to timber-producing countries, multilateral collaboration to tackle trade in illegal timber, support to private sector initiatives, and action 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. In 2005, the Council adopted Regulation (EC) No 2173/2005 on the establishment of a FLEGT licensing scheme for imports of timber into the European Community³, that enables checking the legality of timber imported into the EU under FLEGT partnerships.

In 2005, the Council authorised the Commission to negotiate FLEGT partnership agreements with timber-producing countries⁴.

The Commission entered into negotiations with the Co-operative Republic of Guyana in 2013. The Commission has kept the Council updated on progress regularly, with reports to the Working Party on Forests and the FLEGT/EU Timber Regulation Committee. The Commission has also kept the European Parliament and stakeholders informed about the negotiations.

The Voluntary Partnership Agreement between the EU and Guyana addresses all elements of the Council negotiating directives. In particular, it establishes a licensing scheme that checks and confirms the legality of timber products exported to EU and non-EU countries, as well as timber sold domestically. For imported timber, Guyana commits to ensure that such timber has been harvested according to the law of the country of origin. To do this, Guyana will enact specific legislation based on due diligence principles. The definition of legality is based on a comprehensive set of national and international laws ratified by Guyana, reflecting the three strands of sustainable forest management.

Guyana also commits to reviewing its forestry laws and strengthen them where necessary. It has also set out a framework to monitor compliance and for independent evaluations of the system. To carry out these measures, the parties have agreed to an ambitious timeline of 6 years (from the entry into force). These elements are set out in annexes to the Agreement, which provide a detailed description of the structures that will support the development of the Guyana Timber Legality Assurance System, as well as criteria to take a future decision to start the FLEGT licensing scheme.

The Agreement establishes a Joint Monitoring and Review Committee for dialogue and cooperation between the EU and Guyana on the licensing scheme. It sets out principles for involving stakeholders, social safeguards, and accountability and transparency. It also describes how complaints are handled and how monitoring and reporting will be carried out.

Besides the products set out in Annex II to Regulation (EC) No 2173/2005, the Agreement also covers all timber products currently produced in, imported into, and exported from Guyana.

¹ COM(2003) 251.

² OJ C 268, 7.11.2003, p. 1.

³ OJ L 347, 30.12.2005, p. 1.

⁴ Restricted Council document 10229/2/05 (declassified on 24 September 2015).

The Agreement is underpinned by the principle of non-discrimination, which means that stakeholders from both within and outside the forestry sector will be involved. These include those from the private sector, civil society, local and indigenous communities, as well as other people dependent on forests.

The Agreement provides for import controls at the EU's borders under Regulation (EC) No 2173/2005 on the FLEGT licensing scheme and Regulation (EC) No 1024/2008 laying down detailed measures for implementing it. The Agreement describes Guyana's FLEGT licence, which uses the format prescribed in the Implementing Regulation (EC) No 1024/2008.

- **Consistency with existing policy provisions in the policy area**

The proposal is consistent with Regulation (EU) No 995/2010 because the timber products, covered by FLEGT licences issued in Guyana according to the Agreement, will be deemed legally harvested as laid down in Article 3 of that Regulation.

- **Consistency with other Union policies**

The conclusion of this Agreement is relevant for EU development cooperation policy because it promotes trade in legally harvested timber and strengthens forest governance in Guyana by improving transparency, accountability and participation by stakeholders. The Agreement will also strengthen sustainable forest management and will contribute to combating climate change through reduced emissions caused by deforestation and forest degradation.

2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY

- **Legal basis**

The legal basis is the first subparagraph of Article 207(3) and the first subparagraph of Article 207(4) of the Treaty on the Functioning of the European Union (TFEU), combined with Article 218(6)(a)(v) and Article 218(7).

Since the Agreement provides a legal framework to ensure all timber and timber product imports into the EU from Guyana have been legally produced, the EU has exclusive competence to conclude it in line with the first subparagraph of Article 207(3) and the first subparagraph of Article 207(4) of the TFEU. Article 218(6)(a)(v) of the TFEU provides that the Council concludes such agreements. Article 218(7) of the TFEU empowers the Council to authorise the negotiator to approve amendments to the Agreement on the EU's behalf, where the Agreement provides for amendments to be adopted by a simplified procedure or by a body set up by the Agreement.

- **Subsidiarity (for non-exclusive competence)**

Not applicable.

- **Proportionality**

The conclusion of this Agreement is in line with the EU FLEGT Action Plan and does not go beyond what is necessary to achieve its aims.

- **Choice of the instrument**

This proposal is in line with Article 218(6)(a)(v) of the TFEU, which provides that the Council adopts decisions on concluding international agreements.

3. RESULTS OF EX-POST EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS

- **Ex-post evaluations/fitness checks of existing legislation**

Not applicable.

- **Stakeholder consultations**

Not applicable.

- **Collection and use of expertise**

Not applicable.

- **Impact assessment**

Not applicable.

- **Regulatory fitness and simplification**

Not applicable.

- **Fundamental rights**

Not applicable.

4. BUDGETARY IMPLICATIONS

This initiative does not have budgetary implications.

5. OTHER ELEMENTS

- **Implementation plans and monitoring, evaluation and reporting arrangements**

Not applicable.

- **Explanatory documents (for directives)**

Not applicable.

- **Detailed explanation of the specific provisions of the proposal**

Not applicable.

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THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular the first subparagraph of Article 207(4), in conjunction with Article 218(5) thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) In May 2003, the Commission adopted the Communication to the Council and the European Parliament Forest Law Enforcement, Governance and Trade (FLEGT): proposal for an EU action plan⁵, which called for measures to address illegal logging by developing voluntary partnership agreements with timber-producing countries. Council conclusions on the action plan were adopted in October 2003⁶ and a European Parliament resolution on the subject was adopted on 11 July 2005⁷,
- (2) On 5 December 2005, the Council authorised the Commission to open negotiations with timber-producing countries 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 2173/2005⁸ 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 Co-operative Republic of Guyana in view of the conclusion of a Voluntary Partnership Agreement on forest law enforcement, governance and trade in timber products (hereinafter referred to as ‘the Agreement’), were successfully concluded by the initialling of the Agreement on 23 November 2018.
- (5) Therefore, the Agreement should be signed on behalf of the European Union, subject to its conclusion at a later date.

HAS ADOPTED THIS DECISION:

Article 1

The signing of the Voluntary Partnership Agreement between the European Union and the Co-operative Republic of Guyana on forest law enforcement, governance and trade in timber

⁵ COM(2003) 251.

⁶ OJ C 268, 7.11.2003, p. 1.

⁷ OJ C 157E, 6.7.2006, p. 482.

⁸ Council Regulation (EC) No 2173/2005 of 20 December 2005 on the establishment of a FLEGT licensing scheme for imports of timber into the European Community (OJ L 347, 30.12.2005, p. 1).

products is hereby approved on behalf of the Union, subject to the conclusion of the said Agreement.

The text of the Agreement to be signed is attached to this Decision.

Article 2

The Council Secretariat General shall establish the instrument of full powers to sign the Agreement, subject to its conclusion, for the person(s) indicated by the Commission.

Article 3

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

Done at Brussels,

*For the Council
The President*