

STUDY

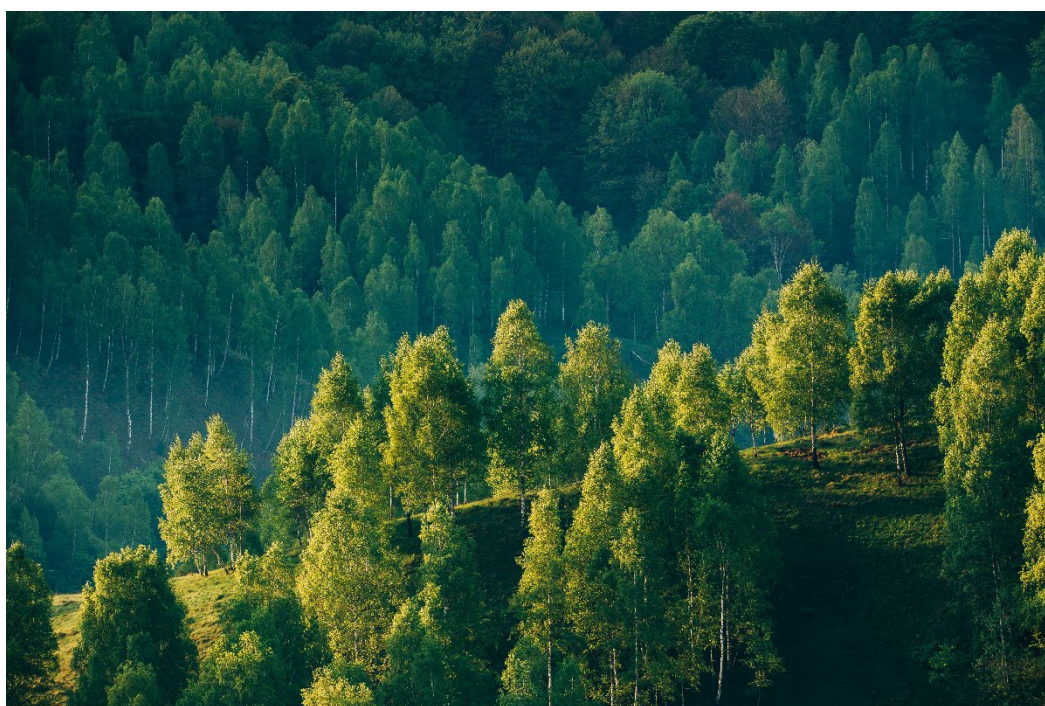
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European Parliament

Voluntary Partnership Agreements:

Strategic relevance, implementation challenges
and future pathways in the EU's forest governance
and trade policy



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STUDY

Voluntary Partnership Agreements: Strategic relevance, implementation challenges and future pathways in the EU's forest governance and trade policy

ABSTRACT

This paper evaluates the European Union's (EU) Forest Law Enforcement, Governance and Trade Voluntary Partnership Agreement (VPA) framework in promoting legal and sustainable timber trade with heterogeneous stages of implementation across selected countries: Indonesia, Ghana, Vietnam, Honduras and the Republic of the Congo. VPAs have improved governance, enhanced traceability systems, stakeholder participation, inter-agency coordination and legal reforms. However, implementation outcomes remain highly uneven, primarily due to variations in political commitment, administrative capacity and the structure of export-oriented timber sectors. Significant impacts from VPAs lie in governance strengthening, more than direct reductions in deforestation or increases in trade. While legality assurance systems have improved transparency and institutional capacity, environmental outcomes remain limited and indirect. The emergence of the EU Deforestation Regulation and Forest Partnerships is revamping VPA's relevance with stricter deforestation-free regulations and broader cooperation, but concerns are being raised about coherence and incentive structures. The system's relevance will depend on its integration with other EU regulatory instruments and its ability to incentivise producing countries to maintain sustainable agendas.

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List of abbreviations

CEPA	Comprehensive Economic Partnership Agreement
CSO	Civil society organisation
EU	European Union
EUDR	European Union Deforestation Regulation
EUTR	European Union Timber Regulation
FAO	Food and Agriculture Organization of the United Nations
FLEGT	Forest Law Enforcement, Governance and Trade
FSC	Forest Stewardship Council
FTA	Free trade agreement
GWTS	Ghana Wood Tracking System
HS	World Customs Organisation Harmonised System
ICF	Institute for Forest Conservation (Honduras)
ITTO	International Tropical Timber Organization
JMRM	Joint Monitoring and Review Mechanism
NGO	Non-governmental organisation
PEFC	Programme for the Endorsement of Forest Certification
SALH	System for Assuring the Legality of Honduran Timber
SMEs	Small and medium enterprises
TLAS	Timber Legality Assurance System
UK	United Kingdom
USA	United States of America
VPA	Voluntary Partnership Agreement

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Executive summary

The European Union (EU) is one of the world's largest markets for timber and wood products. While intra-EU trade and domestic production remain dominant, the EU also imports substantial volumes from elsewhere. Union efforts to combat illegal logging are being operationalised through the Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan, which combines EU demand-side measures with partnerships in producer countries through Voluntary Partnership Agreements (VPAs). Indonesia became the first country to issue FLEGT licences in 2016, with Ghana following in 2025. However, despite more than twenty years of trying to implement new arrangements, progress has been limited in most of the 15 participating countries. Consequently, the European Commission has proposed terminating VPAs with Cameroon and Liberia, two countries that have registered little or no progress. While previous studies have demonstrated not only that the EU Timber Regulation has contributed to reducing illegal timber imports but also that VPAs have fostered transparency, stakeholder participation and institutional reforms, the system of issuing licences has nevertheless made very poor progress.

This study focuses on five partner countries – Indonesia, Ghana, Vietnam, Honduras and Republic of the Congo – which represent different stages of VPA implementation and contrasting timber-sector structures. A common trait across the five country case studies is that VPAs have generated important governance reforms, with their truly participatory approach favouring the implementation of legality assurance systems and traceability schemes. Nevertheless, implementation outcomes have remained uneven. Indonesia, the most advanced case, suggests that VPA effectiveness depends on certain enabling conditions: strong political commitment; a well-developed export-oriented timber sector; sufficient administrative capacity; and meaningful incentives linked to EU market access. Ghana offers a second positive example, having successfully developed an operational legality assurance system after more than 15 years of reform efforts. Conversely, challenges such as land-use change, weak enforcement capacity and broader deforestation pressures indicate that legality alone is insufficient to address wider sustainability concerns. Honduras and the Republic of the Congo illustrate the challenges faced in contexts characterised by weaker administrative capacity and complex governance environments.

The policy context has evolved considerably with the emergence of the EU Deforestation Regulation (EUDR) and the introduction of Forest Partnerships in Honduras and the Republic of the Congo. Under the EUDR, operators need to demonstrate that products are deforestation-free. In Indonesia and Vietnam, these further requirements are creating tensions, thereby challenging both countries' will to implement the agenda fully. Forest Partnerships extend cooperation to climate change, biodiversity, restoration, sustainable value chains and green development. Their governance structures are often built directly upon institutions created through VPAs. This relationship is particularly evident in Honduras and the Republic of the Congo, where Forest Partnerships operate alongside ongoing VPA processes. In these cases, Forest Partnerships reinforce political commitment, provide additional financial and technical support and broaden cooperation beyond legality verification. However, the shift from legally binding VPAs towards more flexible partnerships may reduce the level of accountability, monitoring and structured engagement that characterise the VPA framework. These limitations suggest that market incentives may be insufficient to drive transformational reforms. VPAs might therefore need to be complemented by broader development partnerships, technical assistance and sustained political engagement.

Hence, one recommendation for the European Parliament would be to prioritise the preservation and reinforcement of governance gains achieved under the FLEGT Action Plan and VPAs by steering EU legislation, budgetary allocations and oversight of Commission implementation. In the short term, the European Parliament could call on the Commission to safeguard market incentives for VPA-compliant operators by ensuring that EUDR implementation maintains clear commercial advantages for legally verified timber and does not erode existing FLEGT-related market access benefits. This includes scrutiny

of EUDR due diligence design, procurement rules and recognition of VPA systems within risk assessment frameworks. In the medium term, the European Parliament could prioritise funding under EU external action and research programmes to support higher-value timber value chains and interoperable digital traceability systems in partner countries. In the longer term, it would be recommended that the European Parliament support EU efforts to promote international convergence on legality and sustainability standards and encourage the Commission to advance structured regulatory dialogues with major timber-importing economies.

1 Introduction

1.1 The EU timber market and global sourcing patterns

The European Union (EU) remains one of the world's largest and most influential markets for timber and wood products. EU imports of wood, wood products, pulp and paper consistently range between EUR 20–30 billion annually, supplying key industries such as construction, furniture manufacturing, packaging and printing. The EU is a significant exporter of high-value wood products and a net importer, particularly of tropical hardwoods and certain processed goods. Major suppliers include China, the United States of America (USA), Brazil and a few tropical timber-producing countries. The EU sources its timber and wood products from a diverse range of suppliers, while substantial intra-EU trade continues to play a dominant role in overall supply. Internal production is also significant, with EU roundwood production reaching *circa* 510 million m³ in 2022, with Germany, Sweden and Finland accounting for 44 % of the total¹. Within the single market, trade flowing from major forest-producing Member States such as Sweden, Finland, Germany, France and Poland remains central to regional supply chains². Beyond the EU³, imports of wood and wood products originate primarily from China (processed wood products), the USA, Brazil, Ukraine and Canada. In the past, Russia and Belarus were also important suppliers but their shares have declined significantly following EU sanctions and related trade restrictions. In addition, the EU continues to import substantial volumes from Indonesia, Ghana and Vietnam⁴, reflecting both established trade relationships and the growing importance of environmental governance frameworks linked to these exporting countries.

Tropical hardwood imports are sourced predominantly from countries in the Congo Basin, including the Republic of the Congo, Cameroon and Gabon, alongside Indonesia, Vietnam and Brazil. Recent Food and Agriculture Organization of the United Nations (FAO) estimates indicate that deforestation is overwhelmingly concentrated in tropical regions, which accounted for more than 85 % of global forest loss during 2015–2025. Although global deforestation rates have declined over time, falling from 17.6 million hectares annually in 1990–2000 to 10.9 million hectares annually in 2015–2025, tropical deforestation remains dominant at 9.42 million hectares annually⁵. The deforestation patterns are relevant for EU timber, as certain key supplier regions, including Brazil and parts of West and Central Africa, overlap with the main global deforestation frontiers. This reinforces the structural link between EU import dependency on tropical forest-risk commodities and global land-use change pressures, even as aggregate deforestation trends show gradual improvement. The share of these imports covered by the Forest Law Enforcement, Governance and Trade (FLEGT) licensing scheme is relatively modest⁶. FLEGT primarily addresses the legality of timber production: through Voluntary Partnership Agreements (VPAs) and Timber Legality Assurance Systems (TLAS), it seeks to ensure that timber is harvested, transported and traded in accordance with the applicable laws of the country of production. Legality does not necessarily imply that

¹ Data retrieved from Eurostat, [website](#), nd.

² Data retrieved from Eurostat, [website](#), nd.

³ And beyond Norway and Switzerland as well.

⁴ In 2025 respectively 382 million USD (Indonesia), USD 31 million (Ghana) and USD 294 million (Vietnam); World Integrated Trade Solutions, '[WITS database](#)', webpage, nd.

⁵ South America remains the largest contributor, despite a notable decline from 8.24 to 4.22 million hectares per year, while Africa – particularly Western and Central Africa – has become increasingly significant, with persistently high and only slowly declining rates. South and Southeast Asia, by contrast, have experienced a marked reduction in deforestation over the same period. FAO, [Global Forest Resources Assessment](#), 2025.

⁶ In 2018, for instance, imports of legally verified timber under the FLEGT licensing scheme surpassed 2.99 billion kilograms, with 31 785 licenses processed and approval rates exceeding 99 %. Indonesia was the only country issuing FLEGT licenses, meaning virtually all FLEGT-certified timber entering the EU originated from there; European Commission, [Annual Synthesis Report for the year 2018 on the implementation of the FLEGT licensing scheme provided for in 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](#), COM(2020) 307 final, 10 July 2020.

timber production is free from deforestation or forest degradation⁷. The EU Deforestation Regulation (EUDR) goes beyond this legality-based approach by requiring relevant commodities and products to be both legally produced and deforestation-free, supported by due diligence and traceability requirements. The EUDR represents a shift towards combining legal compliance with a specific environmental outcome – avoiding deforestation and forest degradation – rather than relying on legality alone⁸. FLEGT-licensed timber imports continue to originate almost exclusively from Indonesia, one of the only VPA partner countries currently issuing FLEGT licences together with Ghana. Recent geopolitical and regulatory developments are reshaping EU timber sourcing patterns. Trade sanctions imposed on Russia have altered traditional supply chains, while the forthcoming implementation of the EUDR is expected to encourage increased sourcing from suppliers insofar as it requires products to be legally produced and deforestation-free. More broadly, the increasing use of environmental and technical requirements in international trade is reshaping market access conditions. The literature on non-tariff measures highlights that regulatory requirements may generate heterogeneous trade effects: while compliance costs can restrict market participation, standards may also facilitate trade by reducing information asymmetries, improving transparency and signalling compliance with increasingly demanding market requirements⁹. Recent empirical evidence shows that such measures may generate heterogeneous trade effects: while they can increase compliance costs for exporters, they may also facilitate trade by reducing information asymmetries, improving transparency and rewarding suppliers with stronger regulatory capacity¹⁰.

EU imports of tropical wood and wood-derived products recovered moderately in 2025 compared with the record low levels of 2024, although they remained well below historical averages. In aggregate terms, EU imports of tropical wood and wood furniture increased to 1.61 million tonnes in 2025, up 10 % from 2024, while import value rose by 7 % to USD 3.32 billion¹¹. Despite this rebound, import volumes remained historically low, suggesting that the increase may reflect a partial recovery in EU demand or may also have been influenced by supply-side factors, including changes in the availability of European salvage timber following the forest decline associated with the drought years of 2018–2020¹². Import dynamics differed markedly across product categories. Tropical wood furniture imports increased by 7 % to 306 200 tonnes, while tropical plywood recorded the strongest growth among major wood products, rising by 54 % to 435 900 m³, largely reflecting a reorientation of sourcing following EU anti-dumping measures on Chinese hardwood plywood. Tropical wood flooring exhibited the most pronounced expansion, with import volumes more than doubling (+117 %) to 39 900 tonnes. Imports of other joinery products also increased substantially (+13 %), reinforcing the shift in EU demand towards higher-value, processed tropical wood products¹³.

⁷ European Commission, [Commission Staff Working Document Fitness Check on Regulation \(EU\) No 995/2010 laying down the obligations of operators who place timber and timber products on the market and on Regulation \(EC\) No 2173/2005 on the establishment of a FLEGT licensing scheme for imports of timber into the European Community](#), SWD(2021) 328 final, 17 November 2021.

⁸ European Parliament and Council, [Regulation \(EU\) 2023/1115 on the making available on the Union market and the export from the Union of certain commodities and products associated with deforestation and forest degradation and repealing Regulation \(EU\) No 995/2010](#), *Official Journal of the EU*, L 150/206, 31 May 2023.

⁹ F. G. Santeramo and E. Lamonaca, [‘The Effects of Non-Tariff Measures on Agri-food Trade: A Review and Meta-analysis of Empirical Evidence’](#), *Journal of Agricultural Economics*, Vol 70, No 3, 2019, pp. 595–617.

¹⁰ F. G. Santeramo et al., [‘Technical Measures, Environmental Protection, and Trade’](#), *Review of International Economics*, Vol 33, 2025, pp. 537–555.

¹¹ ITTO, [Tropical Timber Market Report](#), Vol 30, No 4, 16–28 February 2026.

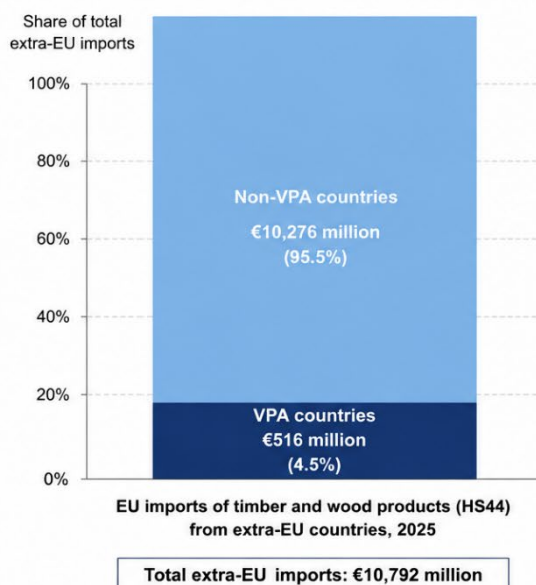
¹² M. Lindner and H. Verkerk, [How has climate change affected EU forests and what might happen next?](#), *European Forest Institute*, February 2021.

¹³ ITTO, [Tropical Timber Market Report](#), Vol 30, No 4, 16–28 February 2026.

Figure 1: EU imports from VPA and non-VPA countries

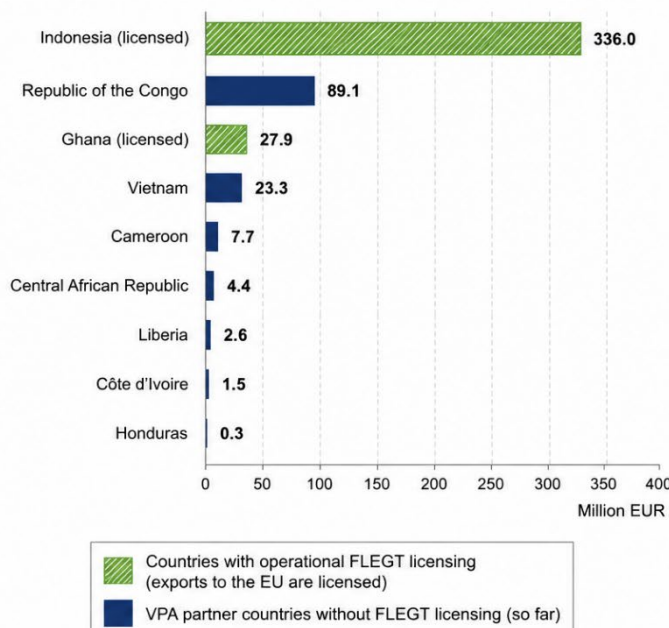
1. Share of EU imports of timber and wood products (HS44) from VPA vs. non-VPA countries, 2025

(million EUR and share of total extra-EU imports)



2. EU imports of timber and wood products (HS44) from VPA partner countries, 2025

(million EUR)



Source: Eurostat (Comext) – HS44 Wood and articles of wood, 2025¹⁴.

Notes: VPA countries include Indonesia, Republic of Congo, Ghana, Vietnam, Cameroon, Central African Republic, Liberia, Republic of Côte d'Ivoire and Honduras. Data refers to extra-EU imports.

Regarding the origin of EU imports, Southeast Asia is consolidating its role as a major source of EU tropical wood imports. As far as African suppliers are concerned, performance has been mixed. Republic of the Congo has experienced a decline in sawn wood and veneer exports, reflecting shortages in supply and regulatory pressures within the Congo Basin. Ghana (and the Republic of Côte d'Ivoire) maintained relatively stable but modest growth in the veneer and sawn wood segments, respectively, without significant expansion in higher-value products¹⁵. Asian suppliers increasingly dominate EU import growth, particularly in processed wood categories. Vietnam emerged as the most dynamic supplier, with explosive growth in plywood exports (+258 %), rising furniture shipments (+16 %) and strong gains in flooring (+152 %), positioning it as a central hub in EU tropical wood value chains. Indonesia also recorded broad-based expansion across many product categories, including sawn wood (+23 %), veneer (+26 %), plywood (+17 %) and flooring (+73 %), confirming its diversified export structure¹⁶. These exports are not necessarily sourced from native tropical forests: plywood production relies heavily on plantation-grown timber, notably Acacia, which constitutes a major domestic feedstock for the Vietnamese plywood industry.

Based on the 2025 Eurostat trade data, imports from VPA partner countries account for a relatively small share of the EU's total extra-EU imports of wood and wood products, albeit with marked differences across countries and product categories¹⁷. Among the current VPA partners, Indonesia is by far the largest supplier, exporting approximately EUR 336 million of wood and wood products to the EU in 2025, followed by the Republic of the Congo (EUR 89.1 million), Ghana (EUR 27.9 million) and Honduras (EUR 0.3 million). Vietnam, despite being a VPA country, is a much more significant supplier once wood furniture is included;

¹⁴ Data retrieved from Eurostat, 'Comext database', webpage, nd.

¹⁵ ITTO, [Tropical Timber Market Report](#), Vol 29, No 22, 16–30 November 2025.

¹⁶ ITTO, [Tropical Timber Market Report](#), 16–30 November 2025.

¹⁷ Data retrieved from Eurostat, [website](#), nd.

however, its exports of Chapter 44 products (wood and articles of wood) alone remain relatively modest compared with Indonesia. In summary, the main VPA suppliers account for roughly 4–5 % of the EU's extra-EU imports of wood and articles of wood (HS44), with Indonesia alone representing around 3.1 % of total imports (EUR 336 million out of EUR 10.79 billion), the Republic of the Congo about 0.8 %, Ghana 0.3 % and Honduras a negligible share.

1.2 The evolution of EU timber governance

This paper examines the EU's long-standing efforts to combat illegal logging and promote sustainable forest governance through the FLEGT Action Plan. Launched in 2003, the Plan combines EU demand-side measures and supply-side partnerships with timber-producing countries. A central instrument is the VPA, a bilateral trade agreement under which partner countries commit to developing a credible TLAS and issue FLEGT licences for verified legal timber. Licensed products benefit from simplified market access under the EU Timber Regulation (EUTR)¹⁸, which prohibits placing illegally harvested timber on the EU market. Despite operating for two decades across fifteen participating countries¹⁹, only two VPA countries (Indonesia and Ghana) have launched a functional licensing system. Elsewhere, various socio-political and technical challenges are hindering implementation²⁰, ultimately resulting in agreements being terminated²¹. In fact, while Indonesia became the first partner to issue FLEGT licences in 2016 and Ghana followed as recently as August 2025, the Commission has recently proposed the termination of VPAs with Cameroon²² and Liberia²³. Such terminations and the shift toward non-binding partnerships raise questions about whether the new arrangements can match the rigour of VPAs. Progress on the seven remaining VPAs is inconsistent: in practice, Guyana and the Republic of Côte d'Ivoire show strong commitment²⁴, whilst others, such as Honduras, Republic of the Congo and the Central African Republic, face financial and legal hurdles.

A working document on the EU timber legality framework issued in November 2021²⁵, hereafter named 'Fitness Check', provided a comprehensive assessment of both EUTR and FLEGT. While the former has contributed to reducing illegal timber imports²⁶, operators continue to face substantial difficulties in

¹⁸ European Parliament and Council, [Regulation \(EU\) No 995/2010 laying down the obligations of operators who place timber and timber products on the market](#), *Official Journal of the EU*, L 295/23, 20 October 2010.

¹⁹ The list of countries involved in the VPA process is provided in the Annex.

²⁰ M. A. Adams et al., 'A comparative analysis of the institutional capacity of FLEGT VPA in Cameroon, the Central African Republic, Ghana, Liberia, and the Republic of the Congo', *Forest Policy and Economics*, Vol 112, 2020.

²¹ European Parliament, [Resolution on the Termination of the Voluntary Partnership Agreement between the European Union and the Republic of Cameroon on forest law enforcement governance and trade in timber and derived products to the Union](#), *Official Journal of the EU*, C/2025/6274, 19 December 2025; European Parliament, [Resolution on the draft Council decision on the termination of the Voluntary Partnership Agreement between the European Union and the Republic of Liberia on forest law enforcement, governance and trade in timber products to the European Union \(14569/2025 – C10-0299/2025 – 2025/0259\(NLE\)\)](#), P10_TA(2026)0209, 17 June 2026.

²² European Commission, [Proposal for a Council Decision on the termination of the Voluntary Partnership Agreement between the European Union and the Republic of Cameroon on forest law enforcement governance and trade in timber and derived products to the Union](#), COM(2024) 446 final, 2 October 2024.

²³ European Commission, [Proposal for a Council Decision on the termination of the Voluntary Partnership Agreement between the European Union and the Republic of Liberia on Forest Law Enforcement, Governance and Trade in timber products to the European Union](#), COM(2025) 467 final, 9 September 2025.

²⁴ According to World Integrated Trade Solutions data, the EU has imported timber worth about USD 42.6 million from the Republic of Côte d'Ivoire and USD 1.8 million from Guyana; World Integrated Trade Solutions, '[WITS database](#)', webpage, nd.

²⁵ European Commission, [Commission Staff Working Document Fitness Check on Regulation \(EU\) No 995/2010 laying down the obligations of operators who place timber and timber products on the market and on Regulation \(EC\) No 2173/2005 on the establishment of a FLEGT licensing scheme for imports of timber into the European Community](#), SWD(2021) 328 final, 17 November 2021.

²⁶ Difference-in-difference analyses of trade patterns estimate that the Regulation may have reduced imports of illegally harvested timber by 12–29 %, indicating a measurable deterrent effect; European Commission, [Commission Staff Working Document Fitness Check on Regulation \(EU\) No 995/2010 laying down the obligations of operators who place timber and timber products on the market and on Regulation \(EC\) No 2173/2005 on the establishment of a FLEGT licensing scheme for imports of timber into the European Community](#), SWD(2021) 328 final, 17 November 2021.

verifying supply chain information, especially from high-risk countries²⁷. The absence of a mechanism to ban or restrict imports from particularly risky sources was also noted. Concerning FLEGT/VPAs, this evaluation highlighted important governance benefits – including enhanced stakeholder participation, transparency and institutional reforms – but criticised slow implementation, lengthy negotiations and uneven progress toward operational licensing systems. As for compliance costs, under EUTR they fall mainly on EU operators, whereas FLEGT implementation in the partner countries has proven costly relative to the limited trade volumes covered by licences. This evidence and the strong political momentum for deforestation-free products regulation, driven by a pragmatic mix of beliefs and interests²⁸, have led to the more ambitious EUDR²⁹, which will apply from December 2026. The EUDR goes beyond legality to require that products placed on the EU market be deforestation-free, supported by geolocation data and rigorous due diligence, thus presenting new challenges for enterprises and control authorities³⁰. The legal landscape is shifting further. Article 30 of the EUDR lays down a new framework for cooperation through Forest Partnerships³¹, especially in the Republic of the Congo, Guyana, Mongolia, Uganda and Zambia, albeit the effectiveness of this design is still under scrutiny, given that these instruments are complementary and legally non-binding. Unlike VPAs, which focus on legality assurance and trade, Forest Partnerships emphasise broader cooperation on climate, biodiversity, restoration, sustainable value chains and green development. These partnerships often build upon institutional structures created under VPAs, creating continuity while expanding the scope of EU engagement.

1.3 VPA country selection and analytical approach

The five countries selected for this paper – Indonesia, Ghana, Vietnam, Honduras and Republic of the Congo – represent diverse stages of VPA implementation and contrasting timber sector structures³². Significant differences exist in production models and value addition. For instance, Indonesia and Vietnam have highly industrialised, export-oriented sectors focused on processed products. Meanwhile, Indonesia recorded massive production volumes between 2020 and 2023, with its export revenues being overwhelmingly dominated by value-added products rather than raw logs. Vietnam follows a similar pattern, with exceptionally high exports of intermediate wood products that play a central role in the timber value chain and reflect deep integration into global furniture and wood-product value chains. Ghana and Honduras occupy intermediate positions, with a balanced production of roundwood and processed products, while the Republic of the Congo remains heavily dependent on raw or minimally processed timber. These structural differences shape countries' relationships with the EU market. In 2023, Indonesia was the leading supplier to major European markets³³. Vietnam also maintained solid exports, particularly to Germany and France. Republic of the Congo, despite lower absolute values, held dominant market shares in certain countries, specifically France. Ghana and Honduras played smaller roles, with more

²⁷ By 2020, there was still no clear evidence that VPAs had significantly reduced illegal timber entering the EU market or curbed illegal logging globally, largely because only a limited share of trade was covered by operational FLEGT licensing; European Commission, [Commission Staff Working Document Fitness Check on Regulation \(EU\) No 995/2010 laying down the obligations of operators who place timber and timber products on the market and on Regulation \(EC\) No 2173/2005 on the establishment of a FLEGT licensing scheme for imports of timber into the European Community](#), SWD(2021) 328 final, 17 November 2021.

²⁸ L. Berning and M. Sotirov, [‘The coalitional politics of the European Union regulation on deforestation-free products’](#), *Forest Policy and Economics*, Vol 158, 2024.

²⁹ European Parliament and Council, [Regulation \(EU\) 2023/1115 on the making available on the Union market and the export from the Union of certain commodities and products associated with deforestation and forest degradation and repealing Regulation \(EU\) No 995/2010](#), *Official Journal of the EU*, L 150/206, 31 May 2023.

³⁰ M. Köthke et al., [‘Comparing the former EUTR and upcoming EUDR: Some implications for private sector and authorities’](#), *Forest Policy and Economics*, Vol 157, 2023.

³¹ European Commission Directorate-General for International Partnerships, [‘Forests’](#), webpage, nd.

³² ITTO, [‘Biennial review statistics’](#), webpage.

³³ Top EU importers of timber from Indonesia have been the Netherlands (EUR 143.5 million), Germany (EUR 138.5 million), Italy (EUR 93.8 million) and France (EUR 42.8 million); World Integrated Trade Solutions, [‘Wood Imports by country and region in US\\$ Thousand 2023’](#), webpage, nd.

modest values and market shares. The EU represents a relatively small but high-value market for most of these countries. Indonesia's EU exports, for example, account for about 8 % of its total timber export value. For smaller producers such as Honduras, the EU share is often below 2 %. This limited market dependence influences the incentive structure of VPAs and helps explain varying levels of implementation ambition across countries.

This paper adopts an in-depth, multidisciplinary approach to evaluate how the EU's timber legality framework has evolved, with a particular focus on the effectiveness, achievements and limitations of the FLEGT/VPA system across five partner countries. Using a comparative design, it assesses governance reforms, assurance systems, trade impacts, stakeholder participation and the VPA's capacity for meeting stricter EUDR deforestation-free requirements. It also examines interactions between VPAs, Forest Partnerships and the EUDR, situating these instruments within the broader question of whether legality-based approaches remain effective for achieving contemporary environmental objectives.

Analysis draws on different sources of evidence, including national and international policy documents, trade statistics, independent monitoring reports, as well as online stakeholder interviews and discussions. These data are complemented by an informal consultation with approximately twenty-five to thirty key informants from Ghana, Indonesia, Vietnam, the Congo Basin region, Honduras and the EU. Participants represented a balanced mix of national forestry administrations, legality verification systems, environmental Non-Governmental Organisations (NGOs), research organisations, independent monitoring initiatives, together with forest governance- or trade-related partnerships. EU institutional perspectives were provided by officials working on international forest policy and environmental governance, ensuring the inclusion of policy-level insights alongside those from producer countries and civil society. Chapter 2 presents detailed country case studies, while Chapter 3 offers a systemic comparative assessment, highlighting cross-cutting lessons on governance effectiveness, implementation challenges, interactions with the EUDR and Forest Partnerships, as well as policy implications for future EU timber trade cooperation.

2 Representative cases

Before presenting individual case studies, the main phases involved in implementing a FLEGT VPA will be outlined. Although implementation is tailored to each partner country's institutional and legal context, VPAs generally follow a common sequence of governance reforms and technical measures aimed at establishing a fully operational TLAS. Understanding these common building blocks provides a valuable framework within which to assess and compare implementation progress across countries. Table 1 summarises the six main phases of VPA implementation and the corresponding outputs achieved at each stage. The process combines institutional reforms with technical system development, making the VPA not only a trade facilitation instrument but also a broader mechanism for strengthening forest governance³⁴.

The first phase, governance and stakeholder engagement, establishes the institutional framework for implementation by creating coordination mechanisms and ensuring the participation of government agencies, the private sector, civil society and local communities. The second phase, legality definition, translates national legislation into a clear and verifiable set of legal requirements governing timber production and trade. The third phase involves developing the TLAS, which comprises supply chain controls, verification procedures and an independent audit. The fourth phase focuses on capacity building and institutional strengthening, including staff training, improved information systems, stronger enforcement and enhanced transparency. The fifth phase, operational readiness assessment, tests whether the TLAS functions effectively and identifies any corrective actions needed before licensing can begin.

³⁴ European Commission, [What is FLEGT?](#), FLEGT Briefing Note No 1, March 2007; European Commission, [Voluntary Partnership Agreements \(VPAs\)](#), FLEGT Briefing Note No 6, March 2007; FAO, [Results, impacts and lessons learned from designing and implementing timber legality verification systems](#), 2022.

Finally, the sixth phase, FLEGT licensing and continual monitoring, marks the issuance of licenses for verified legal timber exports to the EU.

Table 1: Phases and building blocks of VPA implementation

Stages	Detailed phases	Main outputs	Examples
<i>Negotiating</i>	1. Governance	Institutional framework	Steering committee, stakeholder consultations
	2. Legality definition	Agreed legality matrix	Legal code, legality principles
<i>Pre-licensing</i>	3. TLAS development	Operational legality system	Traceability, supply-chain control, digital verification, licensing authority, audit
	4. Capacity building	Institutional strengthening	Staff training, forest inventories, IT systems, enforcement capacity
<i>Licensing</i>	5. Operational readiness	System testing	Pilot licences, field testing, corrective actions
	6. Licensing	FLEGT licences	Licence issuance, continuous monitoring

Source: Author's own compilation based on different sources³⁵.

The following analysis examines five countries that have concluded VPAs, selected to represent different stages of implementation and geographical areas: Ghana (2009), the Republic of the Congo (2010), Indonesia (2014)³⁶, Vietnam (2018) and Honduras (2021). Cases are presented in the order of implementation stages. During 2018, imports of legally verified timber into the EU surpassed 2.99 billion kilograms. A total of 31 785 licences were processed during that year, with approval rates exceeding 99 % among the relevant competent authorities³⁷. These figures do not represent all certified timber imports into the EU, which may also be due to other voluntary certification schemes such as the Forest Stewardship Council (FSC) or Programme for the Endorsement of Forest Certification (PEFC). Indonesia was the sole country operating a FLEGT licensing scheme in 2018: all FLEGT-certified timber imported by the EU during 2018 originated in Indonesia. In 2025, EU imports of legally verified timber under the FLEGT licensing scheme continued to grow, with both Indonesia and Ghana now operating as active FLEGT suppliers³⁸. In 2025³⁹, EU trade in wood, charcoal, cork and articles thereof (HS Section IX) amounted to approximately EUR 32 billion in extra-EU trade, comprising EUR 11.5 billion in imports and EUR 20.6 billion in exports⁴⁰. Extra-EU wood product imports included notable flows from Brazil (EUR 2.28 billion), the USA (EUR 2.03 billion), China (EUR 1.35 billion), Ukraine (EUR 2.71 billion), together with other traditional suppliers. These figures demonstrate that FLEGT-licensed timber from Indonesia and Ghana forms a strategic but still limited share of total EU wood imports (accounting for 6 % of total non-EU imports of timber), with most of the trade also covered by broader certification schemes such as FSC and PEFC.

³⁵ European Commission, [What is FLEGT?](#), FLEGT Briefing Note No 1, March 2007; European Commission, [Voluntary Partnership Agreements \(VPAs\)](#), FLEGT Briefing Note No 6, March 2007; FAO, [Results, impacts and lessons learned from designing and implementing timber legality verification systems](#), 2022.

³⁶ The negotiation has been concluded in 2014 and entered into force in 2016.

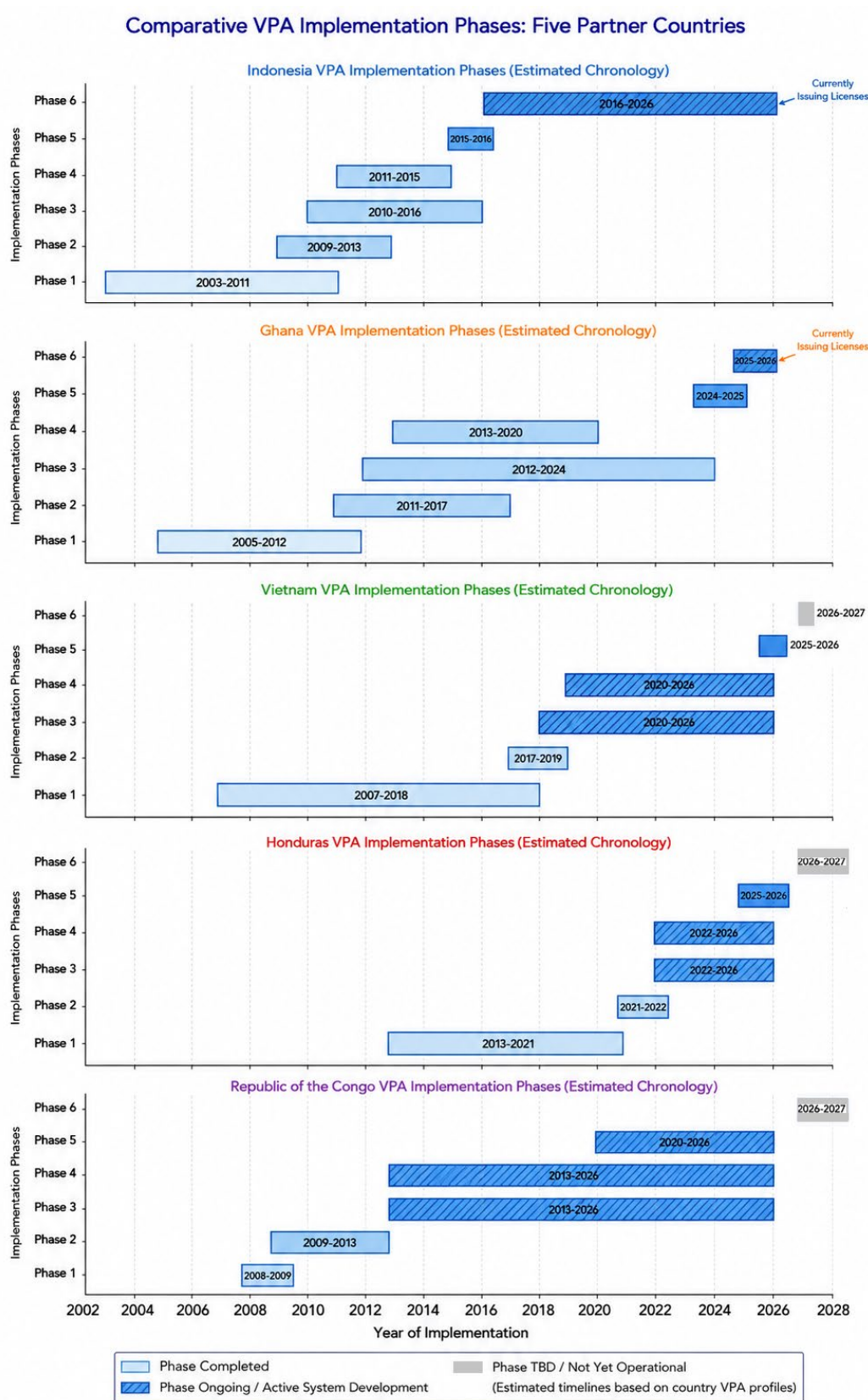
³⁷ European Commission, [Annual Synthesis Report for the year 2018 on the implementation of the FLEGT licensing scheme provided for in Regulation \(EC\) No 2173/2005 of 20 December 2005 on the establishment of a FLEGT licensing scheme for imports of timber into the European Community](#), COM(2020) 307 final, 10 July 2020.

³⁸ Data retrieved from Eurostat, [website](#), nd.

³⁹ European Commission, [European Union, trade in goods with GSP](#), Directorate-General for Trade and Economic Security, 20 May 2026.

⁴⁰ Intra-EU trade in wood and related products was substantially larger, amounting to approximately EUR 103.7 billion in 2025, compared with around EUR 31.8 billion in extra-EU trade.

Figure 2: Comparative analysis of FLEGT VPA progress across selected countries



Notes: Chronological phases are estimated based on key policy markers: Phase 1 ends on negotiation conclusion; Phase 2 ends with formal VPA entry into force/ratification; Phases 3, 4 and 5 run concurrently during system-building and pilot testing. *Completed* indicates the formal finalisation of a phase's core objectives (VPA ratification or legal code enactment, say). *Ongoing* indicates active development, capacity building, or operational deployment of systems. *TBD* (to be determined) denotes future target dates for system readiness and FLEGT licensing.

2.1 Indonesia

2.1.1 Timber sector and trade

Indonesia's global exports of timber and related products⁴¹ (mainly characterised by plywood, pulp and furniture, accounting for about USD 12 billion) were continuing to increase between 2017 and 2020. This trend was driven mainly by pulp and paper products exported to China, coupled with growth in exports of wood furniture to the USA⁴². Most of the wood supplied to Indonesia's processing sector originates from domestic forests, with an increasing reliance on plantation sources⁴³. Only a relatively small share of Indonesia's timber supply is sourced from imports (namely, logs and sawn wood are mainly imported from Malaysia, the USA and New Zealand)⁴⁴, approximately 15 % of the country's total wood fibre supply, with the inclusion of wood products, furniture, pulp and paper imports. Indonesia has one of the world's highest deforestation rates. Since 1990, it has lost about 25 % of its primary forests. Moreover, between 2001 and 2015, tree cover loss was linked to wildfire (23 %), commodity-driven deforestation (27 %), such as mining and palm oil expansion, shifting agriculture (24 %) and temporary tree cover loss (26 %), also due to the timber trade⁴⁵.

EU imports of Indonesian timber were valued at approximately EUR 344 million in 2016, when FLEGT licensing was introduced. Imports had increased to around EUR 366 million by 2019 and the EU represented approximately 7 % of Indonesia's timber exports in 2020⁴⁶, with key markets located in the Netherlands, Belgium and Germany. In 2025, the EU imported wood worth EUR 336 million from Indonesia⁴⁷, which is currently a major exporter of timber to the EU⁴⁸.

2.1.2 Evolution of the VPA

The Indonesian regulatory framework on forestry has evolved rapidly during the last two decades. Forestry Law No.41/1999 is the primary legislative instrument. With its 2015 reformation of the forestry sector, the Indonesian government issued a decree (Ministry of Environmental and Forestry regulation No. P.32/2015), whereby forest areas are classified as: state forest (hutan negara); forest subject to rights (hutan hak); and indigenous forest (hutan adat)⁴⁹. Under this decree, three distinct functions are fulfilled: conservation, protection and production.

Indonesia's current forest certification system combines voluntary and mandatory schemes. On the voluntary side, private standards include the FSC, covering about three million hectares in 2019 and the PEFC, covering around four million hectares in 2021. Alongside these, the mandatory TLAS system ensures timber legality over a much larger area, including 18.8 million hectares of natural forest, 11.4 million hectares of plantation forest and 0.6 million hectares of ecosystem restoration forest.

Indonesia's TLAS, launched on 1 September 2009, represents a significant effort to regulate and formalise the timber sector through a multi-stakeholder approach. Developed by the Ministry of Forestry, the system was designed not only to ensure the legality of timber production and trade but also to establish an institutional framework capable of monitoring and verifying compliance. The TLAS mandates independent

⁴¹ According to the HS Classification, Indonesia exports wood (HS 44), pulp of wood (HS 47), paper and paperboard (HS 48) and furniture (HS 94).

⁴² FLEGT, '[Country Profiles – Indonesia](#)', webpage, nd.

⁴³ Other major export destinations include Japan and South Korea. UK and Netherlands are among the top ten destinations.

⁴⁴ Estimated at around 10 million m³ (roundwood equivalent) per year; FLEGT, '[Country Profiles – Indonesia](#)', webpage, nd.

⁴⁵ P. G. Curtis et al., '[Classifying drivers of global forest loss](#)', *Science*, Vol 361, No 6407, 2016, pp. 1108-1111.

⁴⁶ FLEGT, '[Country Profiles – Indonesia](#)', webpage, nd.

⁴⁷ European Commission, '[Eurostat Database](#)', webpage, nd.

⁴⁸ The EU is the third trading partner for Indonesia timber market; Indonesian TLAS, '[Sustainability and Legality Information System](#)', webpage, nd.

⁴⁹ Timber Trade Portal, '[Legal framework for forest management and timber trade of Indonesia](#)', webpage, nd.

third-party audits for all timber operators, covering the entire chain from forest to export. From its inception until around 2015, considerable attention was devoted to its implementation, with NGOs playing an active role in independent monitoring and oversight. As noted during interviews, 'The success of the TLAS in Indonesia was driven not only by regulatory requirements but also by strong political leadership and sustained collaboration between government institutions and civil society organisations (CSOs)'⁵⁰.

The TLAS has contributed to improving forest governance, particularly by enhancing the transparency and accountability of forest permit systems, while enabling Indonesia to comply with international market requirements and facilitate legal timber exports to the EU. The system has undergone various revisions to close loopholes and facilitate participation of smallholders along with small and medium enterprises (SMEs), including group certification schemes for community forests and village forests. Its implementation is supported by a legal information system, which enhances transparency and traceability. Pending actions include maintaining independent monitoring, ensuring continued SME participation without weakening standards, strengthening enforcement against falsified documentation and adapting the VPA framework to coexist with EUDR requirements. However, according to the Environmental Investigation Agency, the Indonesian TLAS has also come under domestic pressure from industry associations advocating for the relaxation of certification requirements for SMEs, citing concerns over cost competitiveness relative to Vietnam⁵¹.

Indonesia represents the most advanced case of implementation among the EU's FLEGT VPAs. The EU-Indonesia VPA was ratified in 2014 and entered into force in 2016. Indonesia became the first country globally to issue FLEGT licences in late 2016, making it the only fully operational VPA partner for some years. Since 2013, Indonesian exporters have been required to accompany timber products with a V-Legal document, ensuring legality verification from harvest to export and enabling access to the EU market through FLEGT licensing⁵².

Indonesia's legal framework supporting the FLEGT-VPA has undergone various reforms⁵³. Having started with ratification through Presidential Regulation No. 21/2014, the current TLAS framework is governed by the Ministry of Environment and Forestry Regulation No. 8/2021⁵⁴ and Ministerial Decree No. 9895/2022⁵⁵. To date, this system has undergone nine regulatory revisions, reflecting a process of incremental adaptation aimed at improving legality verification, traceability and stakeholder participation⁵⁶.

The TLAS's long-term viability is supported by its multi-stakeholder origins and its solid integration into Indonesia's legal framework. This broad institutional foundation has helped sustain the system through successive regulatory reforms and changing market demands. As emphasised by stakeholders, 'TLAS is a

⁵⁰ Interview with a representative of Greenpeace, online, 17 April 2026.

⁵¹ Environmental Investigation Agency, '[The ongoing threat to Indonesia's legal timber trade](#)', webpage, nd.

⁵² FLEGT-licensed timber is deemed compliant with the EUTR for European importers but it does not automatically ensure compliance with other jurisdictions' laws, such as the US Lacey Act. Forest Trends, '[Timber Legality Risk Dashboard: Indonesia](#)', September 2021.

⁵³ Kaoem Telapak, '[Analisa Peraturan Terbaru Sistem Verifikasi Legalitas dan Kelestarian](#)' [*Analysis of the Latest Regulations on the Legality and Sustainability Verification System*], 2024.

⁵⁴ The Ministry of Environment and Forestry Regulation No. 8/2021 requires forest concession holders to conduct forest inventories and prepare long-term and annual management plans, to be approved before harvesting can begin. Ministry of Environment and Forestry, '[Regulation Number 8 of 2021 concerning Forest Administration, Preparation of Forest Management Plans, and Forest Utilisation in Protected Forests and Production Forests](#)', *State Gazette of the Republic of Indonesia*, No 319 of 2021, 01 April 2021.

⁵⁵ A technical implementing regulation for Indonesia's TLAS, providing detailed standards, indicators, audit procedures and verification guidelines needed to operationalise the Ministry of Environment and Forestry Regulation No. 8/2021. Ministry of Environment and Forestry, '[Regulation Number 8 of 2021 concerning Forest Administration, Preparation of Forest Management Plans, and Forest Utilisation in Protected Forests and Production Forests](#)', *State Gazette of the Republic of Indonesia*, No 319 of 2021, 01 April 2021.

⁵⁶ During the interview with an active member of the Kaoem Telapak (4 June 2026), an Indonesian NGO, it emerged that further reforms are likely, 'particularly aligning the current market obligation for the geolocation aspect'. By 'active member' we refer to a person who actively participates in the organisation's activities, governance, or decision-making.

system of continual improvement'⁵⁷ and further refinements may strengthen implementation and adaptation to evolving international requirements (EUDR).

Indonesia's TLAS system is mandatory for all timber and wood product exports. Since November 2016, the country has issued FLEGT licences (based on TLAS verification) exclusively for EU-bound shipments, allowing automatic compliance with EUTR requirements⁵⁸. All EU imports from Indonesia are officially FLEGT-licensed. For non-EU markets, exporters use V-Legal documents under the same TLAS framework. In 2024–2025, the EU represented a modest share of total Indonesian wood exports (historically 7–9 %), while most went to non-EU destinations such as the USA, China and Japan.

Legality requirements across Indonesia's export destinations vary considerably. The EU provides the strongest formal incentive for verified legality through the FLEGT licensing framework, under which eligible Indonesian timber enters with automatic recognition of legality. By contrast, exports to the USA are subject to the Lacey Act framework⁵⁹, which prohibits trade in illegally sourced timber but still requires importers to assess risks. China – an important destination for Indonesian pulp and timber products – has historically applied weaker legality requirements, although its regulatory framework has gradually been strengthened over recent years. Indonesia has also introduced significant legal and governance reforms aligned with VPA objectives. Forest governance has been strengthened through Law No. 18/2013⁶⁰, which reinforced penalties against illegal logging and timber trafficking and Law No. 6/2023⁶¹, which updated forestry legislation while differentiating sanctions for small-scale local activities. Additional reforms include the permanent moratorium on new permits in primary forests and peatlands through Presidential Instruction No. 5/2019⁶², contributing to broader forest protection objectives. Regulatory improvements in Government Regulation No. 23/2021⁶³ and Ministry of Environment and Forestry Regulation No. 8/2021⁶⁴ strengthened requirements on harvesting plans, timber inventories, transport documentation and traceability systems.

Following the launch of FLEGT licensing on 15 November 2016, Indonesia rapidly expanded certified timber exports to the EU. Within the first 18 months, more than 40 000 shipments of licensed timber, valued at approximately EUR 1.2 billion, were exported to the EU, providing a tangible signal of EU-Indonesia cooperation to combat illegal logging⁶⁵. FLEGT licensing exempted eligible Indonesian timber products from further due diligence requirements under the EUTR, facilitating market access and reinforcing the credibility of Indonesia's TLAS.

Illegal logging practices have not been entirely eradicated in recent years, leading to criticism of the capacity of Indonesia's VPA to address deforestation drivers, particularly palm oil expansion: while it may help reduce trade in illegally converted timber, it could also raise forest management costs, increasing incentives for conversion⁶⁶. Furthermore, the EU's limited role as an importer weakens incentives, as

⁵⁷ Interview with Kaoem Telapak officials, online, 4 June 2026.

⁵⁸ EEAS, '[Indonesia begins issuing FLEGT licensing scheme for verified legal timber products](#)', 15 November 2016.

⁵⁹ Paras 3371–3378, US Congress, [Lacey Act Amendments of 2008](#), *US Code 16*, 22 May 2008.

⁶⁰ Government of Indonesia, [Law No. 18/2013 on the Prevention and Eradication of Forest Destruction](#), 6 August 2013.

⁶¹ Government of Indonesia, [Law Number 6 concerning the Stipulation of Government Regulation in Lieu of Law Number 2 of 2022 concerning Job Creation into Law](#), *State Gazette of the Republic of Indonesia*, No 41, 2023.

⁶² Government of Indonesia, [Presidential Instruction No. 5 Concerning the Termination of the Granting of New Permits and Improvement of Primary Natural Forest Governance and Peatlands](#), 2019.

⁶³ Government of Indonesia, [Government Regulation no. 23 of 2021 about Forestry Management](#), *State Gazette of the Republic of Indonesia*, No 33 of 2021, 02 February 2021.

⁶⁴ Ministry of Environment and Forestry, [Regulation Number 8 of 2021 concerning Forest Administration, Preparation of Forest Management Plans, and Forest Utilisation in Protected Forests and Production Forests](#), *State Gazette of the Republic of Indonesia*, No 319 of 2021, 01 April 2021.

⁶⁵ EEAS, '[EU and Indonesia closely cooperate to combat illegal logging and associated trade of timber](#)', 17 July 2018.

⁶⁶ F. Lesniewska and C. L. McDermott, '[FLEGT VPAs: Laying a pathway to sustainability via legality lessons from Ghana and Indonesia](#)', *Forest Policy and Economics*, Vol 48, 2014, pp. 16–23.

producers bear compliance costs without consistent market rewards⁶⁷. The VPA was originally designed to address legality, governance and illegal timber trade rather than deforestation: as one stakeholder observed, 'legality and deforestation are related but they are not the same issue'⁶⁸. Beyond its VPA, Indonesia has relied on complementary policies to address forest loss, including a permanent moratorium on new permits in primary forests and peatlands⁶⁹. Current discussion on reforms also includes strengthening permit evaluations and safeguards against forest conversion to improve alignment with deforestation-free requirements.

During 2017–2018, various investigations raised concerns over ongoing illegal logging in Indonesia despite the TLAS system⁷⁰. The Anti Forest-Mafia Coalition⁷¹ identified seven TLAS-licensed companies in New Guinea allegedly sourcing illegally harvested timber. Greenpeace reported in 2018 that over three-quarters of Tesso Nilo National Park had been converted into illegal oil palm plantations⁷², while Rainforest Action Network accused the Korindo group of clearing natural forest⁷³. Furthermore, Tempo Magazine reported exports from New Guinea were linked to illegally harvested timber from indigenous customary forests using falsified documents⁷⁴. A 2025 investigation⁷⁵ traced timber originating from recently cleared forests in Indonesian Borneo to EU importers, revealing instances in which deforestation-linked wood entered European supply chains.

Noted during consultations were 'concerns regarding traceability within parts of the supply chain, due to weaknesses in transparency and risks of corruption during transport and handling stages, which may create opportunities for certified and non-certified timber to be mixed'⁷⁶. Despite illegal logging, there has nonetheless been a notable decline in deforestation rates, particularly between 2020 and 2022. This trend has been supported not only by TLAS but also by complementary policies such as a moratorium on new palm oil permits, which has helped reduce pressure on forested areas. In 2011, the Indonesian Sustainable Palm Oil scheme for plantations was introduced, being further extended to smallholders in 2015 and becoming mandatory for them from November 2025. Implementation has progressed slowly: by May 2025, it covered less than 40 % of production areas, with only limited smallholder participation. A revised Indonesian Sustainable Palm Oil regulation adopted in March 2025 further expanded its scope to plantations and downstream industries, although implementing guidelines have not yet been issued.

2.1.3 Implementation challenges

Emerging policy priorities are introducing new challenges. In particular, the government's 'Food and Energy Estate' programme, aimed at strengthening food security and energy production, is increasing pressure on forest lands. This initiative risks undermining previous gains in forest conservation unless accompanied by robust safeguards. Ensuring transparency and traceability within this programme is therefore crucial, especially to monitor how timber extracted from these areas is utilised and to prevent a resurgence of

⁶⁷ Interviews with the European Commission officials suggest that Indonesian authorities consider the market incentives envisaged under Article 13 of the VPA to have remained limited in practice. While the agreement encourages public procurement measures and favourable market recognition for FLEGT-licensed products, these provisions seem to be broadly formulated and largely dependent on implementation by individual Member States rather than the European Commission. Interview with a European Commission policy officer, online, 17 June 2026.

⁶⁸ Interview with an active member of Kaoem Telapak, online, 4 June 2026.

⁶⁹ Government of Indonesia, [Presidential Instruction No. 5 Concerning the Termination of the Granting of New Permits and Improvement of Primary Natural Forest Governance and Peatlands](#), 2019.

⁷⁰ FSC, [Centralized National Risk Assessment for Indonesia](#), 5 February 2019.

⁷¹ Also referred to as *Koalisi Anti Mafia Hutan*. It is an informal coalition of Indonesian CSOs established to combat illegal logging, forest-related corruption, land grabbing and weak governance in the forestry sector.

⁷² Greenpeace International, ['The Final Countdown'](#), 19 September 2018.

⁷³ Rainforest Action Network et al., ['Perilous: Korindo, Land Grabbing & Banks'](#), November 2018.

⁷⁴ Forest Trends, [Timber Legality Risk Dashboard: Indonesia](#), September 2021.

⁷⁵ The investigation has been conducted by Earthsight and Auriga Nusantara; H. N. Jong, ['EU deforestation law nudges timber trade, Indonesia probe shows, but risks persist'](#), *Mongabay*, 17 April 2026.

⁷⁶ Interview with representative of Greenpeace, online, 17 April 2026.

unsustainable or illegal practices. Current challenges relate mainly to adapting the existing Indonesian TLAS to additional requirements introduced by the EUDR while maintaining incentives for the VPA.

The forthcoming EUDR, set to apply from December 2026, introduces a deforestation-free requirement in addition to legality, thereby subjecting FLEGT-licensed timber to further due diligence – a development that Indonesia views as potentially undermining its VPA commitments⁷⁷. Indonesia has also expressed concerns regarding the EU's implementation of the VPA, arguing that market incentives for FLEGT-licensed timber remain limited and that most Member States do not grant such products the same procurement status as wood certified by the FSC or the PEFC. Moreover, a European Commission official noted during interviews that Indonesia increasingly views the EUDR as requiring it to 'start again' despite more than a decade of investment in TLAS and FLEGT implementation⁷⁸. Although FLEGT-licensed timber is recognised as legal under the EUDR framework, Indonesian stakeholders argue that this recognition does not fully reflect the reforms and compliance efforts already undertaken⁷⁹. Commitment to the VPA/FLEGT process remains strong among Indonesian government, private sector and civil society actors, reflecting its role in strengthening governance and facilitating trade. As one stakeholder noted, 'the VPA is about governance, not only market access'⁸⁰ but this commitment is increasingly challenged by the EUDR. Concerns have also been raised regarding the EU's implementation of its own VPA commitments, particularly the promotion of Indonesian FLEGT-licensed timber in EU markets. Despite these tensions, the FLEGT licensing system continues to operate and Indonesia remains the benchmark for VPA success. This institutional framework is expected to be further strengthened by the EU-Indonesia Comprehensive Economic Partnership Agreement (CEPA), concluded in September 2025 and expected to enter into force early in 2027. The EU-Indonesia CEPA and the FLEGT VPA are expected to play complementary roles. While the VPA strengthens timber legality through the Indonesian TLAS, FLEGT licensing and improved forest governance, the CEPA is expected to reduce trade barriers through tariff liberalisation, customs facilitation and regulatory cooperation, thereby lowering the economic costs of trading legally verified Indonesian timber.

2.2 Ghana

2.2.1 Timber sector and trade

Ghana has around eight million hectares of forested land, accounting for more than one-third of its total land area. Timber exports were valued at approximately EUR 172 million in 2023⁸¹. The EU is Ghana's largest market for value-added wood products⁸², with timber exports to the bloc reaching about USD 31.5 million in 2025⁸³, around 30 % of total exports. Ghana's main timber export markets include: China, India, Egypt, Vietnam, the USA, Belgium, Germany, Senegal, Italy, Burkina Faso and Togo⁸⁴.

The country's timber sector has historically been undermined by illegal logging, illegal mining in forest zones and weak governance enforcement, hence calling for regulatory interventions. The EU was once a

⁷⁷ H. N. Jong, '[EU 'moving the goal posts' with new timber requirement, Indonesia says](#)', *Mongabay*, 10 November 2022.

⁷⁸ Interview with a European Commission policy officer, online, 17 June 2026.

⁷⁹ Interview with an active member of Kaoem Telapak, online, 4 June 2026.

⁸⁰ Interview with a European Commission policy officer, online, 17 June 2026.

⁸¹ Air-dried sawn wood dominated exports, accounting for 51 % of total value, followed by kiln-dried sawn wood (19 %) and sliced veneer (6 %), while billets, plywood and mouldings each contributed around 5 %. Sawn wood products made up more than 70 % of total exports. World Integrated Trade Solutions, '[WITS database](#)', webpage, nd; ITTO, '[Tropical Timber Market Report](#)', Vol 30, No 31, 15 February 2026.

⁸² Calculation based on data retrieved from FLEGT, '[Country Profiles – Ghana](#)', webpage, nd

⁸³ World Integrated Trade Solutions, '[WITS database](#)', webpage, nd.

⁸⁴ Ghana's main export destinations for wood and wood products (HS 44) were India (USD 44.4 million), the USA (USD 16.1 million), Burkina Faso (USD 15.3 million), China (USD 11.9 million), Germany (USD 6.7 million), Belgium (USD 4.7 million), Italy (USD 4.4 million), Senegal (USD 1.4 million) and Egypt (USD 1.4 million), measured as gross imports reported by partner countries. World Integrated Trade Solutions, '[WITS database](#)', webpage, nd.

major market for African timber exports, including Ghana's, before stricter environmental regulations under the 2012 EUTR, which bans illegally sourced timber products, contributed to a decline in Ghana's timber exports to the bloc. However, a subsequent profound transformation has now enabled Ghana to become the first African nation to issue FLEGT licences, thereby revitalising trade, particularly the export of legal and sustainable timber products to the EU. The country's focus has shifted from high-volume/low-value to certified, high-value products, with major exports including teak, wawa and mahogany. The FLEGT licensing process required a 16-year reform effort, including revision of forestry laws, deployment of advanced digital wood-tracking technology and training for a multitude of industry operators.

2.2.2 Evolution of the VPA

Early VPA negotiations, started in 2005⁸⁵, tended to underestimate how complex implementation would be, which contributed to a reform process lasting roughly six years. Among the main challenges were defining timber legality, setting up a certification system with independent oversight and adapting forest legislation to support the new framework. Ghana responded with a series of legal reforms, introducing integrated data systems across the supply chain and creating a Timber Validation Department. Coordination was further supported by a multi-stakeholder structure bringing together different agencies. While extremely demanding, these changes were largely domestically driven and have helped strengthen forest governance and the system's overall credibility.

Ghana's long-standing democratic context – characterised by freedom of expression, an active civil society and a free press – has facilitated broad stakeholder engagement and made the VPA process more receptive to scrutiny and reform. An official argued that 'free speech, an active civil society and an independent press, enabled open criticism and policy input, making societal engagement a key catalyst for VPA reforms'⁸⁶.

Changes in governance have periodically threatened the process's survival. Political turnover has meant that successive ministers have had to be continually re-engaged with the process to maintain commitment and ensure policy continuity. Hence, the process has not only been technical but also deeply political, supported by ongoing dialogue with EU counterparts, financial assistance and knowledge exchange with pioneering countries such as Indonesia. Industry participation has been secured by linking compliance requirements to improved market access and the prospect of more stable, long-term income streams⁸⁷. As pointed out during interviews, 'the VPA [is not] only about legality; it has also promoted more sustainable forest management through requirements such as management plans and broad stakeholder participation [...] from government agencies, to CSOs, research institutions and private sector'⁸⁸. Furthermore, it has been argued that 'VPA fundamentally transformed governance practices within the forestry sector, with a recurring theme being the institutionalisation of multi-stakeholder decision-making. This has brought together government agencies, inter alia CSOs, traditional authorities and private-sector actors, in ways that had not previously existed. This shift has been one of the most enduring legacies of the VPA process, extending well beyond timber legality verification'⁸⁹.

Ghana's VPA seems to have consolidated existing regulatory structures, something which also emerged during discussions for this paper, with certain stakeholder representatives stating that 'the VPA did not create a new system. [...] it reinforced and consolidated existing governance structures [...] helping

⁸⁵ FLEGT VPA Facility, '[Ghana: Background](#)', webpage, nd.

⁸⁶ Interview with a representative of the Timber Validation Department, online, 29 April 2026.

⁸⁷ As from the consultations, 'to effectively engage industry in reforms such as the VPA, stakeholders may want to ensure that companies see clear benefits, particularly through improved market access and tangible returns for compliance efforts'. Interview with Timber Validation Department officials, online, 29 April 2026.

⁸⁸ Interview with a representative of Tropenbos Ghana, online, 14 April 2026.

⁸⁹ Interview with a representative at Civic Response, online, 19 June 2026.

integrate Ghana more effectively into global timber markets⁹⁰. The government passed a Timber Resources Management Act in 1997 and the Legality Licensing Regulation (LI 2254) in 2017, within which changes to Ghana's legal framework were made to meet the VPA's terms⁹¹. This law clarifies the granting of special permits and includes the awarding of timber access rights for small-scale harvesting. LI 2254 centralises and clarifies legal requirements for timber acquisition, processing and marketing⁹². It encompasses: (a) the identification of land suitable for the granting of timber rights; (b) the terms and conditions for small- and large-scale timber rights; as well as (c) other sources of timber; and (d) the licensing scheme's legality⁹³. It has been pointed out that the VPA has been incorporated into Ghana's domestic legal framework to such an extent that its core requirements would remain applicable even in the absence of EU oversight⁹⁴. This 'domestication' of legality standards is perceived as a key factor for underpinning the system's long-term sustainability and reducing dependence on external enforcement incentives⁹⁵.

Ghana has established a TLAS to monitor, control and verify the management and use of Ghana's forest resources to ensure that only legal products are produced, sold and exported from Ghana⁹⁶. It has also responded to independent monitoring as part of recent legal and governance reforms. The TLAS applies to all sources of commercial timber and products produced, processed and acquired in Ghana, including those for non-EU markets, as well as all timber sold on the domestic market. The Ghana Wood Tracking System (GWTS) is a key element of the TLAS and incorporates a traceability control system which monitors timber through the entire chain from forest to production⁹⁷. The GWTS is an electronic Timber Legality and Wood Tracking System, widely used across Ghana's timber-producing regions, processing facilities, relevant decentralised administration offices and export points. This system was developed for the Ghana Forestry Commission and currently plays an instrumental role in managing and administering the country's timber resources. Furthermore, the Timber Validation Department has been established within the Forestry Commission to control verification against the legal standard for every consignment⁹⁸. It has been argued that, unlike other TLASs, Ghana's framework was developed with extensive civil society participation and that CSOs contributed to the design of monitoring mechanisms and the timber traceability system itself, further reinforced by community-based monitoring initiatives⁹⁹.

Ghana's timber supply comes from both plantations and natural forests, although the country is actively transitioning towards plantation-grown timber only for legal exports¹⁰⁰. Certified timber in Ghana is largely limited to a few plantation-based companies¹⁰¹. A single system governs FLEGT-licensed timber for all

⁹⁰ Interview with a representative of Tropenbos Ghana officials, online, 14 April 2026.

⁹¹ Timber Trade Portal, '[Legal framework for forest management and timber trade of Ghana](#)', webpage, nd.

⁹² The law also requires a documented management plan for any production forest area supplying timber, which drove operational changes on the ground.

⁹³ Timber Trade Portal, '[Legal framework for forest management and timber trade of Ghana](#)', webpage, nd.

⁹⁴ Remarkably, an earlier study indicated that the VPA risks stabilising and legitimising an existing system marked by deep inequalities rather than transforming it. The authors also pointed out that Ghana's centralised forest regime may limit redistribution of rights, reinforcing existing inequalities. C. P. Hansen et al., '["Experimental" or business as usual? Implementing the European Union Forest Law Enforcement, Governance and Trade \(FLEGT\) voluntary partnership agreement in Ghana](#)', *Forest policy and Economics*, Vol 96, 2018, pp. 75–82.

⁹⁵ Interview with a representative at Civic Response, online, 19 June 2026.

⁹⁶ Timber Trade Portal, '[Other indicators for legal timber trade of Ghana](#)', webpage, nd.

⁹⁷ Timber Trade Portal, '[Other indicators for legal timber trade of Ghana](#)', webpage, nd.

⁹⁸ The Timber Industry Development Division of the Forestry Commission is designated as the national licensing authority under the VPA. They will issue FLEGT licenses for the export of timber products to the EU market and export permits for non-EU markets. The EU border control authorities will permit import only if shipments are covered by such a license.

⁹⁹ Interview with a representative at Civic Response, online, 19 June 2026.

¹⁰⁰ FAO, [Global Forest Resources Assessment](#), 2020.

¹⁰¹ Major plantation-based companies in Ghana operate primarily in rubber, oil palm and timber forestry. Key players include Ghana Rubber Estates Limited (the largest rubber producer accounting for about 95 % of exports) and Rubber Plantations Ghana Ltd (the

markets, ensuring consistent legality standards, with differences mainly in documentation. This framework is also extending legal requirements to the domestic market.

Ghana signed its VPA with the EU in November 2009, thereby becoming the first timber-producing country to enter the programme. The VPA Secretariat in Ghana's Forestry Commission coordinates VPA implementation. Furthermore, Ghana has established a Multistakeholder Implementation Committee, which is the formal, national platform established to oversee implementation of the VPA with the EU. This group supports the Joint Monitoring and Review Mechanism (JMRM), a joint body overseeing the Ghana/EU Agreement. Members include representatives of government ministries and agencies (including the VPA Secretariat in the Forestry Commission), Parliament, traditional authorities, CSOs and the private sector (timber industry). The sector minister leads Ghana's delegation to the joint implementation committee. The JMRM is a collaborative framework where stakeholders – often governments, international partners or organisations – jointly track progress, ensure accountability and adjust policies or projects. For Ghana, the JMRM brings together representatives of the Government of Ghana – including the Forestry Commission, the Timber Validation Department and relevant ministries responsible for forestry, trade, customs as well as natural resources – and the EU, represented by the European Commission, the European External Action Service, the EU Delegation in Ghana and, where appropriate, EU Member States¹⁰². The JMRM reviews independent monitoring reports and ensures corrective actions. An additional feature contributing to the system's credibility is an independent audit mechanism conducting regular field inspections of both Forestry Commission offices and private sector operators. To enhance transparency, audit findings are reviewed by a multi-stakeholder oversight body chaired by an independent judicial figure.

A milestone in the Ghanaian system's evolution has been the shift from a paper-based to an electronic wood-tracking system to identify compliance flaws throughout the supply chain¹⁰³. Coupled with other administrative improvements, it has made red flags and non-compliance easier to detect and correct. Moreover, the requirement for documented management plans has improved the monitoring system. Ghana issued its first FLEGT licences on 15 August 2025, with EU-bound licensed timber beginning to flow from 8 October 2025, making it the first African country and second globally (after Indonesia) to issue FLEGT licences¹⁰⁴. Notably, Ghana has chosen to apply its TLAS to all timber, not just EU-bound shipments.

2.2.3 Implementation challenges

Ghana is now aiming to supply only legal, sustainably sourced timber in line with EU and International Tropical Timber Organization (ITTO) standards, with the government seeking investment, technical support, as well as international cooperation to strengthen exports through efficient wood use and

second largest producer). In the oil palm and forestry sectors, Ghana Oil Palm Development Company, Plantations Socfinaf Ghana, Miro Forestry and Timber Products and Form Ghana are important actors, contributing to large-scale plantation development and sustainable timber production. Information has been retrieved from reports published by Miro Forestry and available at: Miro Forestry and Timber Products, '[Annual Reports](#)', webpage, nd.

¹⁰² Although not formal members of the JMRM, observers such as CSOs, private sector representatives, community and Indigenous groups, development partners and technical experts may be invited to participate depending on the agenda and issues under discussion.

¹⁰³ Another key change has been the switch from concession arrangements to Timber Utilisation Contracts, a written contract signed by the Minister and ratified by the Parliament, granting timber harvesting right. The Timber Utilisation Permit is a small-scale permit to harvest a defined number of trees for social, or community purposes, signed by the Forestry Commission. Timber from these permits cannot be sold or exported. Following the launch of the FLEGT license system, the Parliament ratified 131 Timber Utilisation Contracts. See: Timber Trade Portal, '[Legal framework for forest management and timber trade of Ghana](#)', webpage, nd.

¹⁰⁴ The first six licenses have been issued to five companies: Samartex Timber and Plywood Co., Logs and Lumber Ltd., JCM Company, Mere Plantations and West Coast Wooden Products. See: S. Hanbury, '[Ghana begins sustainable wood exports to EU under new license](#)', *Mongabay*, 30 September 2025.

production of high-value products¹⁰⁵. Ghana's legality framework appears broadly aligned with EUDR objectives, insofar as existing forestry regulations prohibit clear-felling in natural forests and require selective harvesting based on forest inventories and prescribed harvesting limits. In this sense, the VPA appears to have established an institutional foundation upon which EUDR compliance can be built.

However, the entire process is not exempt from criticism¹⁰⁶, albeit comparing the evolution of VPA in Ghana and Cameroon (the latter viewed as an example of failure) may help to understand what has and has not worked in Ghana. A key phase in both cases has been the establishment of the TLAS. In Cameroon, high technical and capacity demands led to sustained reliance on European consultants, thereby delaying core policy reforms and gradually eroding trust between the VPA parties (EU and Cameroon)¹⁰⁷. By contrast, Ghana implemented various forestry reforms under 'Europeanisation', including creating the Timber Validation Department within the Forestry Commission to oversee legality verification and compliance. Nevertheless, monitoring and regulating the domestic timber market remains challenging, constrained by limited infrastructure and financial resources. While Ghana's VPA adoption signalled alignment with EU requirements, its intended outcomes remain only partially achieved. By early 2026, more than 400 FLEGT licences had been issued. The incoming EUDR will require additional deforestation-free verification beyond FLEGT legality assurance, though Ghana's system is seen as a strong foundation for compliance.

2.3 Vietnam

2.3.1 Timber sector and trade

Vietnam is a large exporter of wood products, with total exports reaching approximately USD 7 billion in 2023¹⁰⁸. The USA remains its dominant market, accounting for trade of around USD 1.5 billion, followed by Japan (USD 1.3 billion). Shipments to the EU are growing but still relatively modest, with 2025 imports valued at about USD 294 million¹⁰⁹. Export performance is linked to Vietnam's broader forest production structure, which is highly dependent on plantations¹¹⁰ and imported raw materials (log and sawnwood imported largely from the USA, Cameroon and Cambodia)¹¹¹. This structural constraint drives continued reliance on imports of larger-diameter logs and higher-value timber species. As far as forest certification is concerned, around 700 000 hectares of commercial forests (out of 14 million hectares)¹¹² are certified

¹⁰⁵ Timber Trade Portal, '[Gateway to international Timber Trade](#)', webpage, nd.; G. P. Kombat and X. Chen, '[The study of impact factors on timber trade between Ghana and China](#)', *Forestry Economics Review*, Vol 4, No 2, 2022, pp. 78–98.

¹⁰⁶ S. Carodenuto et al., '[External Europeanization through timber trade agreements: Tracing causality in environmental governance reform](#)', *Political Geography*, Vol 109, 2024.

¹⁰⁷ This criticism has also been raised in the context of Ghana, where it has been argued that the VPA has strengthened a legal framework that enables external state actors to exercise greater control over access to trees on farms. C. L. McDermott et al., '[The interplay of global governance with domestic and local access: Insights from the FLEGT VPAs in Ghana and Indonesia](#)', *Society & Natural Resources*, Vol 33, No 2, 2019, pp. 261–279.

¹⁰⁸ Forest Trends, '[Illegal Deforestation and Associated Trade \(IDAT\) Risk – Vietnam](#)', webpage, 2 June 2026.

¹⁰⁹ World Integrated Trade Solutions, '[WITS database](#)', webpage, nd.

¹¹⁰ Vietnam's forestry sector relies predominantly on fast-growing plantation species, particularly acacia and eucalyptus, making plantation forestry the backbone of its wood-processing industry and exports. Indonesia also derives an important share of its industrial timber supply from plantations, although natural forests continue to play a significant role. By contrast, timber production in Honduras, Ghana and the Republic of the Congo remain predominantly based on natural forests, with plantation forestry contributing only marginally to commercial timber supply. FAO, [Global Forest Resources Assessment](#), 2025.

¹¹¹ Around 70 % of the domestic wood supply comes from plantations, mainly acacia, eucalyptus, pine and rubberwood. However, most plantation output consists of small-diameter logs, with roughly 80 % suitable only for chips and medium-density fiberboard, rather than high-value sawn wood or furniture production. FLEGT, '[Country Profiles – Vietnam](#)', webpage, nd.

¹¹² FLEGT, '[Country Profiles – Vietnam](#)', webpage, nd.

under schemes such as the FSC and PEFC¹¹³. However, certification coverage remains uneven and is still limited relative to the scale of production¹¹⁴.

2.3.2 Evolution of the VPA

Over the past two decades and particularly since the mid-2000s, Vietnam has made notable progress in advancing legality in land use and forest production¹¹⁵. Since around 2007, there has been a marked acceleration in policy efforts ‘with local communities playing an increasingly important role in supporting and participating in formal legalisation processes’¹¹⁶. This is particularly so through programmes that allocate forest-use rights and encourage community-based forest management. These developments have contributed to greater inclusion in formal governance structures, albeit the overall trajectory has been uneven.

A defining feature of Vietnam’s forest governance landscape is land tenure arrangements in shaping both legality and sustainability outcomes. Land tenure has been a prerequisite for participation in formal forest management systems. Vietnam has promoted the scaling up of agroforestry systems as part of this transition, particularly for commodities, such as coffee and pepper, which are frequently cultivated on land officially classified as forest. This has produced a highly heterogeneous land-use landscape, where in practice agricultural and forestry functions overlap. The distinction between forest and agricultural land is often blurred, with outcomes varying significantly across regions depending on local governance capacity, land allocation history and enforcement practices. However, progress has stabilised over the past decade and the system has since entered a phase characterised more by consolidation than expansion. One of the key constraints remains the persisting existence of land without clearly defined or permanent users¹¹⁷. This dynamic has contributed to a relatively stable equilibrium in tenure arrangements, rather than a linear progression toward full clarification or privatisation of rights.

A specific policy approach has been the legalisation of agricultural use within forest land, provided that certain ecological criteria are met. For instance, land planted with a minimum density of trees – such as 200 trees per hectare – can be recognised as forest. This has allowed certain forms of agroforestry production to be integrated into legal frameworks, particularly in cases where plantations meet defined standards. This has been particularly relevant for plantation forestry systems involving fast-growing, non-native species such as acacia, which are easier to classify and certify because they are not part of Vietnam’s native forest ecosystems. By contrast, natural forests and native species present significantly greater challenges in terms of verification and certification, particularly when it comes to demonstrating financial responsibility for planting, management and regeneration activities.

The share of certified timber in Vietnam remains relatively low. Although certification is formally encouraged – particularly among larger enterprises – its uptake is likely to be constrained by various factors¹¹⁸. Firstly, certification costs may be relatively high, especially for smallholder farmers and household-based plantation systems, which dominate parts of the sector. Secondly, the price premiums

¹¹³ As pointed out during consultations, ‘the legality requirements are becoming standard market expectations in many export destinations’.

¹¹⁴ This reflects the predominance of smallholder-based plantation forestry and relatively weak economic incentives for certification.

¹¹⁵ During consultations it has been claimed that ‘Forest-related policies, including the VPA process, have improved the quality of forest governance, enhanced transparency and accountability and encouraged greater participation of stakeholders’. Interview with a representative at Vietnam Forestry Administration, online, 3 June 2026.

¹¹⁶ Interview with a representative at Center for International Forestry Research and World Agroforestry, online, 29 April 2026.

¹¹⁷ During consultations has emerged that in Vietnam’s tenure system, land is typically divided between areas with clearly allocated rights (held by the state or by local communities) and areas where the government acts as a temporary custodian. In these latter cases, land may be reallocated if it is deemed underutilised, often being transferred to households or communities for forestry or agroforestry use.

¹¹⁸ These potential causes have been suggested during the interview with a representative at Center for International Forestry Research and World Agroforestry, online, 29 April 2026.

associated with certified timber are likely to be modest or uncertain, thus limiting economic incentives for participation. Thirdly, certification schemes tend to impose restrictions on harvesting cycles, requiring timber to be sold at specific maturity stages, whereas many farmers prefer flexible harvesting strategies, aligned with household income needs and market fluctuations.

According to several interviewees¹¹⁹, certification costs may prevent smallholders from joining formal certification systems, even when policy frameworks support or encourage their inclusion. This structural limitation is reinforced by the fragmented nature of forest holdings, which makes collective certification difficult to organise and sustain. Furthermore, the coexistence of formal and informal supply chains continues to characterise the sector, with varying degrees of traceability and compliance depending on product type and market destination.

Vietnam's efforts to strengthen timber legality have been anchored in its VPA with the EU, signed in October 2018 and entering into force in June 2019. This agreement covers all timber flows, including exports, imports, as well as domestic supply; it extends to both plantation and natural forest sources, as well as rubberwood and other agroforestry products. Its implementation is closely linked to the development of the Vietnam TLAS, established under Decree 102/2020¹²⁰ and updated in 2024. Although the system is not yet formally recognised for FLEGT licensing, it nevertheless represents a key step toward operationalising legality verification across the sector.

At an institutional level, Vietnam's VPA has required sustained administrative coordination and international engagement. The presence of different stakeholders – including government agencies, private sector actors and international development partners – has shaped implementation dynamics. Bilateral cooperation, particularly with the EU and Germany, has played a significant role in providing both technical and financial support for reforms. Stakeholders have pointed to land tenure as a major issue to be addressed, while international organisations have often focused on technical improvements and capacity-building, neglecting more politically sensitive issues related to land governance. These challenges have shaped the context in which Vietnam has implemented its timber legality reforms.

Vietnam's rapidly expanding wood product sector is increasingly exposed to numerous layers of regulatory scrutiny. One key driver of this pressure is its heavy reliance on imported raw materials, which account for a significant share of industrial inputs and include timber sourced from countries in Central Africa (i.e. Cameroon), Southeast Asia (i.e. Cambodia) and the Amazon Basin (i.e. Brazil), regions where illegal logging, weak forest governance and deforestation risks are generally considered higher than in temperate timber-producing regions¹²¹. This dependency creates potential compliance risks for downstream processed exports, particularly those in markets with strict due diligence requirements¹²², thus compromising supply chain transparency and the legality of traded wood products entering major consumer markets¹²³.

Vietnam's VPA process reflects a gradual and uneven transformation of forest governance. While significant progress has been made in establishing legal and institutional frameworks, particularly through Vietnam's TLAS and associated reforms, implementation continues to be shaped by the complexity of land tenure arrangements, the heterogeneity of production systems and economic constraints facing

¹¹⁹ Interview with a representative of the Vietnam Forestry Administration, online, 3 June 2026.

¹²⁰ Government of the Socialist Republic of Vietnam, [Decree on the Vietnam Timber Legality Assurance System](#), No 102/2020/ND-CP, 1 September 2020.

¹²¹ World Wildlife Fund, ['Wood Risk Tool'](#), webpage, nd.

¹²² In this context, the USA launched a Section 301 investigation in 2020 concerning illegal timber imports, which subsequently led to a bilateral Timber Agreement signed in October 2021. See: Office of the US Trade Representative, ['USTR Initiates Vietnam Section 301 Investigation'](#), 2 October 2020; Office of the US Trade Representative, ['USTR Announces Agreement Between the United States and Vietnam to Resolve Timber Section 301 Investigation'](#), 1 October 2021.

¹²³ T. T. Pham et al., ['Policy forum: Opportunities and challenges for Vietnamese companies to source sustainable timber from Africa, and implications for future implementation of the EU deforestation regulation'](#), *Forest Policy and Economics*, Vol 170, 2025.

smallholders. The result is a system that has advanced considerably in formal terms yet continues to face challenges in achieving full operationalisation across all segments of the forestry sector.

The long-term sustainability of Vietnam's timber legality framework appears relatively strong, even beyond the eventual issuance of FLEGT licences. It has been argued that 'the VPA system is expected to remain sustainable as legality requirements have already been embedded within the national legal framework and [...] enterprises increasingly recognise the benefits of compliance'¹²⁴. A key factor supporting sustainability is the extent to which legality requirements have already been institutionalised within Vietnam's legal and regulatory framework. Through measures such as Decree 102/2020 and subsequent updates, responsibilities for implementation have been formally assigned across relevant government agencies, including forestry authorities, customs, law enforcement bodies and market control agencies. This has helped embed legality verification within routine administrative processes rather than treating it as a stand-alone donor-driven initiative.

2.3.3 Implementation challenges

Government commitment to the VPA/FLEGT process remains high. Vietnamese authorities continue to strengthen the regulatory framework governing forest management and timber trade, while legality objectives are increasingly being integrated into broader national forestry and trade policies. Inter-agency cooperation to combat illegal logging and timber trafficking has also expanded, reflecting the growing importance of legality assurance in maintaining access to international markets. Completion of the legality assurance system, operationalisation of verification procedures and eventual readiness assessment remain necessary before licensing. For exporters, demonstrating the legal origin of timber has become a commercial necessity, particularly for shipments destined for the EU and other markets with stringent legality requirements. As interviewees noted, 'the VPA has been effective largely because strong market sensitivity to illegal logging in timber imports has created sustained pressure to ensure that all imported wood originates from legal sources'¹²⁵. New regulatory developments in the EU are expected to improve market access conditions. The EUDR, which will apply from December 2026, introduces additional obligations requiring geolocation data and proof of deforestation-free supply chains. This adds a further layer of complexity to an already import-dependent production system, reinforcing the importance of traceability and upstream legality assurance within the VPA framework. Beyond that, the EU has provided extensive technical assistance on EUDR implementation and Vietnam has adopted a range of complementary measures aimed at reducing deforestation and strengthening forest governance¹²⁶. These efforts are further reinforced by Vietnam's commitments under international climate and biodiversity agreements.

2.4 Honduras

2.4.1 Timber sector and trade

Honduras possesses extensive timber resources, including pine forests and broadleaf forests as well as ecologically important tropical ecosystems. According to FAO's Global Forest Resources Assessment 2025, Honduras had approximately 22,180 ha of plantation forest in 2018¹²⁷. Between 2000 and 2020, national log production fell from approximately 770 000 m³ in 2017–2018 to around 600 000 m³ in 2020¹²⁸.

¹²⁴ Interview with a representative at the Centre for International Forestry Research and World Agroforestry, online, 29 April 2026.

¹²⁵ Interview with a representative at Vietnam Forestry Administration, online, 3 June 2026.

¹²⁶ These include sustainable forest management programs, restrictions on commercial logging in natural forests, the expansion of payment schemes for forest environmental services, participation in REDD+ (Reducing Emissions from Deforestation and Forest Degradation) initiatives and enhanced enforcement against illegal logging, transportation and trade in forest products.

¹²⁷ FAO, [Global Forest Resources Assessment 2025: Honduras](#), 2025.

¹²⁸ FLEGT, '[Forestry Sector in Honduras](#)', webpage, nd.

The Honduran timber sector plays a relatively modest role in global forest-product markets compared with major tropical timber exporters, yet forests remain economically and environmentally significant for the country. Honduras imports processed wood products, particularly from neighbouring countries such as Guatemala, which represents its principal supplier of secondary processed wood products. A ban on exports of unprocessed roundwood and squared logs favours domestic processing and higher-value timber production¹²⁹. In 2023, Honduras exported approximately USD 26.16 million in sawn wood¹³⁰ and USD 4.95 million¹³¹ for plywood and veneered panels. The EU represents only a marginal export destination, accounting for less than 1 % of export value. Honduras has relatively limited commercial dependence on EU timber markets and its exports to the EU are concentrated in a few countries.

2.4.2 Evolution of the VPA

The country's regulatory framework governing forests is centred on the national forestry administration led by the Honduran Institute for Forest Conservation (ICF), which oversees forest management, monitoring, permitting and legality verification. Honduras began negotiations for a VPA with the EU in February 2021 and saw its entry into force in September 2022¹³². Although the country has not yet begun issuing FLEGT licences, the VPA process has already generated substantial institutional changes aimed at establishing the systems necessary for future implementation and this is particularly positive in light of the country's limited exports of timber to the EU. In other words, the VPA was primarily a forest governance instrument and a regulatory benchmark ('Brussels effect')¹³³ aimed at improving the competitiveness and reputation of the forestry sector. A major institutional development has been the consolidation of participatory governance structures designed to support VPA implementation. Honduras has established the VPA's Technical Secretariat¹³⁴ and Interinstitutional Implementation Secretariat, which have become central coordinating mechanisms for legality verification, policy implementation and inter-agency cooperation. These institutions have strengthened communication among governmental bodies and created spaces for participation by CSOs, local communities and private-sector actors. Since Honduras has yet to introduce FLEGT licensing, timber exports to the EU continue to enter under standard due diligence requirements within the EUTR/EUDR framework rather than through automatic legality recognition¹³⁵.

¹²⁹ Congreso Nacional de Honduras, [Decree No. 156-2007 - Forest, Protected Areas and Wildlife Law](#), *Official Gazette of the Republic of Honduras*, No 31 544, 28 December 2007.

¹³⁰ Exports were highly concentrated in regional markets in El Salvador (USD 13.98 million), followed by Panama (USD 2.36 million), the United States (USD 1.38 million), Belize (USD 1.24 million) and Jamaica (USD 1.20 million). Smaller flows were directed to Guatemala, Nicaragua, Trinidad and Tobago and several Caribbean countries, as well as minor shipments to Germany and the UK. World Integrated Trade Solutions, '[WITS database](#)', webpage, nd.

¹³¹ Exports were mainly directed to El Salvador (USD 4.57 million), followed by Costa Rica (USD 0.31 million) and Nicaragua (USD 0.07 million); World Integrated Trade Solutions, '[WITS database](#)', webpage, nd.

¹³² During interviews, it has been claimed that a potential reason for the delays in the implementation of the system may be due to limited institutional ownership of the VPA process within the ICF, insofar as only a small number of officials possess detailed knowledge of the agreement. In addition, it has been argued that delays are also possibly associated with the transition to a new political administration. Interview with a representative of the Monitoreo Forestal Independiente, Honduras, online, 19 June 2026.

¹³³ The Brussels Effect refers to the EU's capacity to shape global regulatory outcomes by inducing multinational firms and third countries to adopt EU standards. While originally conceived as a largely automatic process driven by market size and regulatory stringency, more recently the Brussels Effect is increasingly a contested and dynamic process, shaped by interactions among EU institutions, private actors and external jurisdictions to promote, adapt, or constrain the global diffusion of EU rules. M. Ylönen, '[Reconceptualising the Brussels effect](#)', *JCMS: Journal of Common Market Studies*, Vol 64, No 1, 2026, pp. 100-124.

¹³⁴ National Institute of Conservation and Forestry Development, Protected Areas and Wildlife, [Acuerdo Ministerial No. 018-2023: Crea la Secretaría Técnica del Acuerdo Voluntario de Asociación sobre la aplicación de las leyes forestales, la gobernanza y el comercio de productos de la madera con destino a la Unión Europea](#) [Ministerial Agreement No. 018-2023: Creates the Technical Secretariat of the Voluntary Partnership Agreement on the application of forest laws, governance and trade in timber products destined for the European Union], *La Gaceta*, No 36 337, 19 September 2023.

¹³⁵ Similarly, timber exports to non-EU destinations rely on national legality requirements, transport permits and forest management plans, without a VPA-based licensing mechanism. In addition, there are voluntary timber certification schemes, although their scale is relatively limited compared with other tropical timber-producing countries.

Recent years have witnessed important institutional and technological reforms aimed at strengthening legality verification, transparency and sustainability in the forest sector. One significant achievement associated with the VPA has been the development of a System for Assuring the Legality of Honduran Timber (SALH)¹³⁶, which constitutes the foundation of Honduras's future TLAS in seeking to ensure traceability and legal compliance throughout the timber supply chain, from harvesting and transportation to processing and export. SALH and related digital traceability tools are expected to become fully operational by the end of 2026. They will integrate various technological and monitoring instruments that collectively improve forest traceability and oversight¹³⁷. These technological systems enable authorities to collect, organise and verify information regarding forest permits, harvesting activities, timber transport and commercial transactions, thereby reducing opportunities for illegal extraction and document falsification. Technological modernisation has become a cornerstone of Honduras' approach to improving forest governance. It has been argued that 'strengthening the system would require an operational digital application capable of monitoring field activities in real time, identifying illegal practices as they occur'¹³⁸. Institutionalising geospatial monitoring platforms, particularly the Geoforestal platform together with the Forest Management and Monitoring Information System¹³⁹, has strengthened the country's ability to monitor land-use change and detect potential illegality. These systems improve transparency and traceability. The VPA-FLEGT process has emerged as a central mechanism for improving governance, enhancing institutional coordination, which in turn increases confidence in the legality of timber production and trade. Interviewees stated that 'Honduras has taken the VPA fundamentally to strengthen forest governance... [including] the creation of the technical secretariat, inter-institutional implementation and the TLAS'¹⁴⁰. However, Honduras is an intermediate-stage VPA partner: the legal and institutional architecture has been largely established but the country remains in a pre-licensing phase. Despite these advances, implementation has progressed slowly insofar as various components of the legality assurance framework remain 'under development'.

In addition to institutional and technological reforms, Honduras has made progress in strengthening social safeguards and participatory governance. CSOs have played an active role in monitoring and dialogue throughout the VPA process, helping to improve transparency and oversight. The government has also engaged in discussions with indigenous peoples and local communities.

Honduras is increasingly aligning forest governance with broader sustainability objectives linked to emerging EU environmental regulations. The forthcoming EUDR has become another major driver of policy changes and an important development has been the establishment of an Inter-institutional Technical Committee formalised under Agreement ICF-050-2024¹⁴¹. This committee integrates key institutions responsible for environmental management, agriculture, land tenure, trade, taxation and customs authorities. As such, it represents significant governance reform by enabling a coordinated national response to due diligence, traceability and legality obligations associated with the EUDR.

¹³⁶ Annex V, EU and Republic of Honduras, [Voluntary Partnership Agreement on forest law enforcement, governance and trade in timber products to the European Union](#), *Official Journal of the EU*, L 217/3, 18 June 2021.

¹³⁷ These include the Forest Management and Monitoring Information System, digital forest management plans, transport permits and traceability systems designed to monitor timber movements and verify legality. The Honduras Timber Traceability System, subsequently replaced and expanded, provides a more comprehensive structure for monitoring forest product flows.

¹³⁸ Interview with a technical officer and a mid-level technical staff at ICF, online, 25 May 2026.

¹³⁹ National Institute of Conservation and Forestry Development, Protected Areas and Wildlife, [Acuerdo No. 002-2019 La Oficialización del Sistema de Información para la Gestión y Monitoreo Forestal \(SIGMOF\)](#) [Agreement No. 002-2019 The Officialisation of the Information System for Forest Management and Monitoring (SIGMOF)], *La Gaceta*, No 35 110, 28 November 2019.

¹⁴⁰ Interview with a technical officer and a mid-level technical staff at ICF, online, on 25 May 2026.

¹⁴¹ National Institute of Conservation and Forestry Development, Protected Areas and Wildlife, [Acuerdo No. 050-2024, Creación del Comité Técnico Interinstitucional de apoyo para el cumplimiento del Reglamento EUDR](#) [Agreement No. 050-2024, Creation of the Inter-institutional Technical Committee to support compliance with the EUDR Regulation], *La Gaceta*, No 36 713, 12 December 2024.

Honduras has also developed legality guidance documents and due diligence tools for agricultural supply chains considered particularly relevant for exports to the EU, including coffee, cocoa and palm oil. These guidelines are intended to translate national legislation into operational and verifiable requirements for producers, exporters and European operators conducting due diligence. Although such guidance documents do not replace legal obligations, they do help simplify regulatory interpretation and facilitate compliance with emerging market requirements. Authorities have also developed baseline maps and pre-analysis systems capable of assessing whether productive areas comply with zero-deforestation requirements after the EUDR cut-off date¹⁴². These efforts indicate an important shift in Honduran forest governance, extending legality verification beyond timber to encompass broader deforestation-free supply chains. Forest governance is increasingly linked to agricultural production systems and international sustainability standards, reflecting the growing convergence between forestry policy, trade governance and climate objectives.

2.4.3 Implementation challenges

However, forest loss and degradation continue to present significant challenges. Deforestation has historically been associated with agricultural expansion, cattle ranching, illegal logging, land tenure disputes, forest fires and infrastructure development¹⁴³. Weak law enforcement and institutional fragmentation have often hindered effective forest protection, while illegal timber extraction has undermined both state revenues and sustainable management objectives.

Honduras continues to face substantial implementation challenges. According to discussions with stakeholders, the principal task still pending is declaring SALH's full operationality as well as establishing the Legality Verification Unit and Licensing Unit, which are required before the country can begin issuing FLEGT licences. Until these systems become fully operational, Honduran timber exports to the EU continue to rely on standard due diligence procedures under European regulations, often complemented by voluntary certification schemes (FSC and Chain of Custody, CoC, say)¹⁴⁴.

Institutional continuity and political sustainability remain key challenges for forest governance. The effectiveness of reforms depends on long-term institutional commitment. Implementation remains vulnerable to political turnover, administrative changes and shifting government priorities. It has been asserted by interviewees that 'sustainability is challenged by high implementation costs, limited technical understanding of the process [and] weaknesses in monitoring the timber supply chain'¹⁴⁵. Concerns regarding staff turnover, institutional capacity and sustained financing further risk undermining the effectiveness of TLASs. Illegal logging also persists as a major problem. While monitoring and traceability systems have improved the detection of irregularities, nevertheless enforcement and judicial follow-up remain weak. Forestry institutions are often able to identify illegal extraction and document fraud but limited prosecutorial capacity constrains effective sanctions. Strengthening coordination between forest agencies and judicial authorities, therefore, remains essential for improving compliance and reducing illegal logging.

¹⁴² During consultations, stakeholders pointed out that a pre-analysis system, currently undergoing continuous refinement, is expected to support the eventual issuance of 'No Deforestation' certificates for export-oriented sectors.

¹⁴³ Trejos and Flores argued that land tenure is widely regarded as a prerequisite for long-term forest management: communities are more likely to invest in sustainable practices when rights over land and forest resources are clearly defined and protected. In Honduras, the weak tenure security has reduced incentives for sustainable forest management while facilitating land conversion and illegal resource extraction. B. Trejos and J. C. Flores, '[Influence of property rights on performance of community-based forest devolution policies in Honduras](#)', *Forest Policy and Economics*, Vol 124, 2021.

¹⁴⁴ Stakeholders also pointed that 'with the strengthening of the SALH and the implementation of origin traceability tools, the country is preparing the sector to ensure that exports not only demonstrate strict legality but also successfully pass the risk assessments of the new EUDR, thereby maintaining the competitiveness of our forest products in the most demanding markets'.

¹⁴⁵ Interview with a technical officer and a mid-level technical staff at ICF, online, 25 May 2026.

Honduras's relationship with the EU certainly continues to generate incentives for institutional reform. Beyond the VPA itself, stakeholders pointed out that the Honduras-EU Forest Partnership (Forest Partnership), signed in 2023 at the United Nations Climate Change Conference, COP28, between Honduras and the EU, reinforces the political will to combat illegal logging, restore ecosystems and promote sustainable value chains and green businesses. The Forest Partnership thus complements the VPA by expanding the scope of EU-Honduras cooperation from legality assurance towards broader sustainability objectives, while preserving the VPA as the central governance framework for timber legality¹⁴⁶. For example, the Forest Partnership has rapidly evolved from a political declaration into an operational cooperation framework. Within a year of its signature, the EU had mobilised more than EUR 23 million under the 'VPA and Beyond – Forestry Alliance and Green Businesses' programme. In June 2024, a EUR 16 million programme ('Living Forests of Honduras') was launched to support activities under both the Forest Partnership and the VPA. Before FLEGT licences can be issued, the following steps need to be taken: completing the national legality assurance system; fully operationalising electronic traceability; strengthening independent verification; validating the TLAS through field testing; and completing the operational readiness assessment.

2.5 Republic of the Congo

2.5.1 Timber sector and trade

The Republic of the Congo ('Congo-Brazzaville') has about 24 million hectares of natural forest, covering about 69 % of its land area¹⁴⁷ and is part of the Congo Basin, the world's second-largest tropical rainforest after the Amazon. Forests, covering around 65 % of the country's land area, represent one of the most important economic resources for the national economy as well as major carbon sinks and biodiversity reserves¹⁴⁸. Despite its vast forest resources, the country has limited domestic wood-processing capacity. According to the ITTO, in 2017 the country produced about 2.19 million m³ of logs, compared with only 332 000 m³ of sawn wood, 47 000 m³ of veneer and just 30 000 m³ of plywood¹⁴⁹. This production structure reveals a strong dependence on the export of raw or minimally processed timber, a major source of foreign exchange. In 2023, timber products generated approximately USD 238 million in export revenues for the Republic of Congo, with raw logs (HS code 4403) worth USD 70.13 million and sawn wood (HS 4407) worth USD 146.22 million. China remained by far the largest export destination, importing timber products worth nearly USD 104 million (around 44 % of total exports). The EU continued to represent the second most important market, with combined imports of approximately USD 84.9 million (around 36 % of exports)¹⁵⁰.

2.5.2 Evolution of the VPA

VPA negotiations started in June 2008, involved CSOs, the private sector, as well as government ministries and agencies, before being concluded in May 2009¹⁵¹. Subsequently, the Republic of the Congo and the EU

¹⁴⁶ Unlike the legally binding VPA, the Forest Partnership is a political cooperation framework and has primarily served to mobilise additional political and financial support for forest governance, restoration and sustainable value chains.

¹⁴⁷ Global Forest Watch, '[Republic of the Congo](#)', webpage, nd.

¹⁴⁸ According to consultations with a country representative for Republic of the Congo in the International Tropical Timber Association, most timber supplied to the Congolese processing sector originates from domestic forest concessions, which remain the dominant model of forest exploitation in the country. Congo possesses one of the largest areas of certified tropical forest in Africa, with approximately 3.5 million hectares certified under the FSC, alongside additional concessions certified under legality and legality-verification schemes such as OLB and LS certification systems (Origin and legality of wood).

¹⁴⁹ Timber Trade Portal, '[Overview of timber sector of the Republic of the Congo](#)', webpage, nd.

¹⁵⁰ Belgium was the largest, with USD 27.53 million (mainly sawn wood: USD 24.64 million; logs: USD 2.89 million). France followed with USD 11.10 million (sawn wood: USD 9.62 million; logs: USD 1.48 million). The Netherlands imported USD 4.92 million and Germany USD 1.92 million, almost entirely sawn wood. Other notable EU buyers included Portugal (USD 1.62 million), Spain (USD 1.06 million) and Italy (USD 0.76 million); World Integrated Trade Solutions, '[WITS database](#)', webpage, nd.

¹⁵¹ FLEGT VPA Facility, '[Republic of the Congo: Background](#)', webpage, nd.

signed their VPA in May 2010, with ratification following in February 2013¹⁵². The VPA process has evolved from a broad commitment to improve forest governance into a comprehensive legal and institutional framework aimed at ensuring the legality, traceability and sustainability of timber production and trade. A major milestone in this process was the expansion of sustainable forest management. By 2018, 29 of the country's 60 forest concessions, covering approximately 10.4 million hectares and representing 68 % of the forest area allocated to commercial use, had either implemented or were developing forest management plans¹⁵³. These achievements reflect the country's commitment to sustainable forest exploitation and improved governance.

In 2018, the EU and the Republic of the Congo adopted a joint implementation strategy for 2018–2022, which included communication measures and renewed efforts by the Ministry of Forest Economy to improve forest revenue collection¹⁵⁴. The implementation framework has also been strengthened not only through the establishment of the Sustainable Forest Management Platform, which institutionalised civil society participation and coordination in forest governance but also through dedicated communication initiatives mandated by the VPA's Transparency Annex. These initiatives – including a dedicated VPA website, newsletters, annual implementation reports and other public information channels – have significantly improved access to information on forest governance and VPA implementation¹⁵⁵. The most significant legal reform came with the adoption of the new Forestry Code (Law No. 33-2020 of 8 July 2020)¹⁵⁶. This legislation modernised the forest sector's governance and aligned national legislation with the VPA's objectives. The law not only introduced simplified management plans for smaller concessions and strengthened domestic processing requirements for harvested timber but also reinforced legality controls throughout the timber supply chain.

Development of the Computerised Legality Verification System has integrated taxation, legality verification and traceability functions into a single digital platform. The Congolese administration has also developed procedural manuals for the recognition of private certification systems within the VPA framework and has carried out pilot testing for the issuance of legality certificates. VPA ratification has increased awareness of poor governance's consequences for the forest sector and hence most enterprises have now reduced their environmental impacts accordingly¹⁵⁷. The agreement has also contributed to greater participation of local communities, indigenous peoples and CSOs in forest governance as well as independent monitoring activities. However, despite some initial momentum and political support surrounding the VPA process, implementation soon encountered significant institutional and technical obstacles.

The environmental outcomes from the Republic of the Congo's VPA are mixed and largely indirect, with most impacts arising from governance improvements rather than measurable reductions in deforestation. Whilst the agreement has strengthened legality verification, traceability systems and monitoring capacity,

¹⁵² EU and Republic of the Congo, [Voluntary Partnership Agreement on forest law enforcement, governance and trade in timber and derived products to the European Union](#), *Official Journal of the EU*, L 92, 6 April 2011.

¹⁵³ FLEGT, 'Country Profiles – Republic of Congo', webpage, nd.

¹⁵⁴ Republic of Congo and EU, [Rapport annuel conjoint 2017 sur la mise en œuvre de l'APV FLEGT en République du Congo](#) [Joint Annual Report 2017 on the Implementation of the FLEGT VPA in Republic of the Congo], 2018.

¹⁵⁵ A. Bollen, [Evaluating the VPA Process in the Republic of the Congo: Views from civil society](#), March 2020.

¹⁵⁶ Republic of the Congo, [Loi n° 33-2020 portant code forestier](#) [Law No. 33-2020 establishing the Forestry Code], *Official Journal of Republic of the Congo*, Special edition No 4-2020, 8 July 2020.

¹⁵⁷ N. Leszczynska et al., [Collecting evidence of FLEGT-VPA impacts: Republic of the Congo country report](#), *Center for International Forestry Research*, 2022.

reducing opportunities for illegal logging in managed concessions, enforcement gaps and incomplete licensing limit overall effectiveness¹⁵⁸.

Operationalisation of the FLEGT licensing framework remains incomplete and hence no full-scale issuance of FLEGT licences has taken place yet. The system's sustainability remains uncertain. Unlike private certification schemes, which rely on independent third-party auditing bodies, such as FSC, the Congolese TLAS depends largely on administrative verification conducted by state authorities¹⁵⁹. As stated during discussions with stakeholders, 'compared to certification (which is third party) that is independent, the FLEGT system is done by an administration that has to evaluate and assess the companies and this will be difficult'¹⁶⁰. This reliance on public administration has generated concerns regarding institutional capacity, political inertia and the presence of conflicting interests within parts of forestry administration. While the Ministry of Forestry has generally demonstrated its political willingness to advance the process, implementation has often progressed slowly due to various institutional and technical constraints, particularly regarding the traceability system, which reportedly is still only partially operational despite years of development¹⁶¹.

Republic of the Congo entered the process with strong enthusiasm, largely because access to the EU market was considered highly important. The initiative benefited from political commitment as well as support from the private sector. As stated during discussions with stakeholder representatives, 'the VPA process initially generated strong enthusiasm in Congo due to the importance of access to the EU timber market (but) implementation stalled, (insofar) the design and financing of the traceability and due diligence system remained unclear'¹⁶².

2.5.3 Implementation challenges

The VPA process proved particularly challenging and ultimately failed to deliver the expected results¹⁶³. Although there was a clear objective, the implementation process lacked transparency and coordination. Disagreements emerged over who should bear the significant financial costs of the traceability system – the EU, the Congolese government or a mixture – and the resources required for implementation were never properly defined. Before the country can commence issuing FLEGT licences for timber exports, the legal assurance system must still resolve remaining compliance gaps and successfully complete an independent audit process.

The Congolese experience contrasts with other African VPA countries, where stronger independent verification mechanisms have facilitated implementation¹⁶⁴. Stakeholders argued that integrating private

¹⁵⁸ As pointed out during interviews, key contributions include the creation of institutions such as the Forest Legality and Traceability Unit, digital systems like the Computerised Legality Verification System and independent monitoring mechanisms, which have improved oversight and increased transparency and stakeholder participation in forest governance; Interview with Fern (European NGO working to protect forests) representatives, online, 4 June 2026.

¹⁵⁹ The legality verification framework combines documentary controls, field inspections and supply-chain monitoring of permits, contracts, taxation, labour and harvesting. Inspections occur at logging sites and checkpoints, while the Forest Products Export Control Service handles final verification. Oversight is provided by the General Inspectorate of Forestry Services and Sustainable Development.

¹⁶⁰ Interview with a country representative of the Republic of the Congo at the International Tropical Timber Association, online, 27 May 2026.

¹⁶¹ The sector continues to face structural constraints, including inadequate transport infrastructure, high logistics costs and bottlenecks along road, rail and river corridors linking forest concessions to processing facilities and the port of Pointe-Noire, which reduce production efficiency and increase export costs. International Monetary Fund, [Republic of Congo: Poverty Reduction Strategy Paper](#), Country Report No 12/242, August 2012; F. Kleinschroth et al., '[Road expansion and persistence in forests of the Congo Basin](#)', *Nature Sustainability*, Vol 2, 2019, pp. 628–634.

¹⁶² Interview with a technical coordinator at the Congo Basin Forest Partnership officials, online, 11 May 2026.

¹⁶³ Cameroon followed a different approach by relying on its own traceability system. However, EU stakeholders considered the system insufficiently transparent. This highlights the importance of clarifying governance, transparency and financing arrangements before or during negotiations, rather than after implementation has begun.

¹⁶⁴ During consultations, it has been claimed that 'In the Republic of Côte d'Ivoire the FLEGT system is working better than in the Republic of the Congo, because there is an independent system to evaluate the FLEGT license'.

certification systems more directly into the FLEGT framework could improve the long-term sustainability and credibility of legality verification. It has also been pointed out that many of the most significant improvements in forestry governance have been driven not directly by the VPA itself but rather by the expansion of privately certified concessions¹⁶⁵.

Since 2023, the Republic of the Congo has banned the export of unprocessed timber to retain added value within the country, promote local manufacturing, create green jobs and strengthen domestic timber value chains. This policy, supported by both national legislation and the Economic and Monetary Community of Central Africa, reflects a broader political commitment to industrialisation and reducing forest-related crime. However, implementation has proven difficult and the ban has often been undermined by weak enforcement, allowing some companies to continue profiting from the export system. This export ban has created transitional difficulties for many operators, who are now required to invest in domestic processing facilities such as sawmills to adapt to the new regulatory framework. In addition, governance and compliance issues continue to affect the sector. Independent audits have identified weaknesses in the legality verification system, as many forest concessions still operate without fully developed or approved management plans. However, without the VPA, forest governance in the Republic of the Congo would probably have been weaker, with far less transparency, monitoring and legality enforcement. As a stakeholder representative mentioned, 'the VPA has likely prevented a deterioration that has been evident in other weakly regulated sectors (such as mining)'¹⁶⁶. These challenges highlight the difficulties involved in balancing industrial development, export competitiveness and sustainable forest governance.

The EU remains an important market for certified Congolese timber, although most exports are now directed toward non-EU destinations. The forthcoming EUDR will further tighten traceability and due diligence requirements, increasing pressure to modernise Congo's TLAS. The Forest Partnership, signed in November 2022 and technical assistance have supported institutional strengthening as well as alignment with international standards¹⁶⁷. Hence, the Forest Partnership has complemented rather than replaced the VPA, expanding cooperation beyond timber legality. However, significant challenges persist, particularly regarding independent verification, full operationalisation of traceability systems, administrative capacity and governance bottlenecks that continue to constrain not only the VPA's effectiveness but also its long-term sustainability. Priorities include improving inter-agency coordination, strengthening independent monitoring, expanding traceability coverage, increasing enforcement capacity and completing the operational readiness assessment.

3 Overall systemic assessment

The five country cases above illustrate both achievements and limitations of the EU's FLEGT VPA approach. Two decades after the FLEGT Action Plan was launched in 2003, the VPA framework has generated important governance reforms, TLASs, stakeholder participation mechanisms and traceability tools across partner countries. All reflect the broader role of VPAs as instruments of external Europeanisation, whereby EU regulatory preferences have contributed to institutional reforms and changes in forest governance

¹⁶⁵ Republic of the Congo's large FSC-certified forest area demonstrates substantial private-sector engagement in sustainable forest management and provides a strong basis for future legality and sustainability compliance. Approximately 1.8 million hectares are also covered by legality-based certification systems, indicating a broader transition toward verified forest management practices.

¹⁶⁶ Interview with Fern representatives, online, 4 June 2026.

¹⁶⁷ The Forest Partnership broadens cooperation to areas such as climate change, biodiversity conservation, sustainable forest management, restoration and sustainable value chains. It constitutes a political cooperation framework that relies on VPA-established institutions to support wider forest governance objective. This is well defined in the Roadmap for implementing the Forest Partnership, agreed at the Three Basins Summit in Brazzaville. EU and the Republic of Congo, [EU-Congo Forest Partnership Roadmap](#), October 2023.

beyond the immediate objective of facilitating timber trade¹⁶⁸. However, implementation outcomes have been uneven. Significantly, in some partner countries, VPAs are associated with limited commercial incentives. Since the EU represents only a marginal destination for timber exports from countries such as Honduras or the Republic of the Congo, the prospect of preferential access to the EU market has often provided insufficient economic motivation to sustain costly and politically demanding governance reforms. Put differently, VPAs' effectiveness as trade-based incentive mechanisms has been more limited where export dependence on the EU has been low.

While Indonesia has established a fully operational licensing system and Ghana has recently begun issuing FLEGT licences, other countries remain in pre-licensing phases despite significant investment in institutional development. Among partner countries, Indonesia offers lessons on VPA effectiveness, which seems to depend on a set of enabling conditions. These include strong political commitment, a well-developed export-oriented timber sector, sufficient administrative capacity and credible market incentives linked to EU market access. Consistent with current evidence¹⁶⁹, certain stakeholder representatives suggest that the most significant impacts of VPAs have occurred in the domains of governance¹⁷⁰ and institutional effectiveness rather than immediate environmental outcomes¹⁷¹, albeit there are some exceptions¹⁷².

3.1 VPAs and Forest Partnerships

The emergence of broader EU sustainability objectives, particularly the European Green Deal and the EUDR, is transforming the policy environment within which VPAs operate. Moreover, Forest Partnerships have emerged as a complementary instrument rather than a direct replacement for VPAs. Forest Partnerships are characterised by a broader but less legally binding framework, with stronger emphasis on political dialogue and business-to-business cooperation. This shift is perceived by stakeholders as potentially reducing the level of structured engagement, monitoring and accountability that characterised the VPA system¹⁷³. Forest Partnerships represent a broader political and policy framework encompassing not only legality and timber trading but also climate change mitigation, biodiversity conservation, restoration, sustainable value chains together with the implementation of international environmental commitments. Interestingly, governance structures from VPAs have often become the institutional basis for Forest Partnerships.

Multi-stakeholder consultations, TLASs, inter-agency coordination bodies and traceability frameworks developed under VPAs have prompted implementation of broader Forest Partnership agendas. This interaction is particularly visible in countries such as Honduras and the Republic of Congo, where both frameworks operate simultaneously. In these cases, Forest Partnerships build on VPA-established institutional structures while expanding cooperation into new policy areas, linking TLAS to climate, biodiversity and sustainable development objectives. However, the transition from VPAs to Forest Partnerships should not be interpreted as replacing legality-focused instruments but rather expanding

¹⁶⁸ S. Carodenuto et al., '[External Europeanization through timber trade agreements: Tracing causality in environmental governance reform](#)', *Political Geography*, Vol 109, 2024.

¹⁶⁹ N. Leszczynska et al., '[Collecting evidence of FLEGT-VPA impacts: Republic of the Congo country report](#)', *Center for International Forestry Research*, 2022.

¹⁷⁰ This reinforces previous evidence on VPAs' contributions to transparency, enforcement, civil society engagement and regulatory coherence; P. O. Cerutti et al., '[Voluntary Partnership Agreements: Assessing impacts for better policy decisions](#)', *Forest Policy and Economics*, Vol 124, 2021. The same study casts doubt on VPAs' contribution to tackling corruption.

¹⁷¹ Even for Indonesia, a story of success, VPA has primarily generated governance-related improvements with relatively limited contribution to environmental outcomes such as deforestation reduction, reinforcing the view that legality-based interventions alone are insufficient to address broader land-use pressures.

¹⁷² During consultations it has been pointed out that the Congolese timber sector would likely have followed the pattern observed in other extractive industries, with widespread illegal activities, weak oversight and greater environmental degradation. The VPA has helped identify illegal practices and reduce uncontrolled forest exploitation. Interview with Fern representatives, 4 June 2026.

¹⁷³ Interview with Kaoem Telapak officials, online, 4 June 2026; Interview with Fern representatives, online, 4 June 2026.

their scope and moving from a legally binding, trade-focused governance model to a broader but less enforceable political framework. VPAs are centred on legality assurance, traceability systems and structured multi-stakeholder governance, whereas Forest Partnerships extend cooperation to climate, biodiversity, restoration and sustainable value chains. This broader scope comes at the cost of reduced legal precision and weaker accountability mechanisms compared to VPA architecture, concerns that have been expressly pointed out during interviews¹⁷⁴. Forest Partnerships largely build upon institutional structures originally developed under such architecture (consultation platforms, inter-agency coordination bodies, traceability systems). This creates continuity in governance capacity while expanding the policy agenda beyond timber legality¹⁷⁵. In other words, while VPAs seem more effective as governance and legality enforcement instruments, Forest Partnerships may serve as political cooperation frameworks to align forests with broader sustainability and development objectives.

Legality verification systems have been most successful in improving governance processes and institutional capacities. For instance, Indonesia and Ghana, the most advanced implementation cases, suggest that long-term VPA engagement can generate durable TLASs, thereby favouring transparency mechanisms and credibility in international markets. Conversely, persistent challenges related to illegal logging (land-use conversion, weak enforcement capacity, say) suggest that legality alone may be insufficient to address broader sustainability concerns, objectives that may be better targeted by means of the Forest Partnerships.

The relationship between VPAs and Forest Partnerships varies according to national circumstances and implementation progress and, while relying on institutional capacities developed under VPAs, may not necessarily ensure the same level of accountability or binding commitments. In Honduras, the Forest Partnership signed with the EU at the COP28 complements an ongoing VPA process that remains in the pre-licensing phase. Stakeholder representatives consistently emphasised that it reinforces political commitment to combating illegal logging, restoring ecosystems, promoting sustainable forest value chains and supporting green economic development. It is expected to provide additional political visibility and financial support. Similarly, the Congolese VPA has generated significant governance reforms, such as the establishment of traceability systems, legality verification procedures, independent monitoring mechanisms and participatory governance structures. Forest Partnership initiatives have increasingly focused on supporting broader sustainability objectives, strengthening institutional capacities and facilitating alignment with emerging international requirements such as the EUDR. Forest Partnerships may help maintain political engagement and reduce the risk of failure and disenchantment that can arise from very slow progress. The Liberian case, not examined here, suggests that implementation delays and incompleteness in licensing systems may weaken political commitment, reducing the appeal of preferential market access¹⁷⁶. Nevertheless, discussions on terminating the EU-Liberia VPA have been closely linked to the prospect of establishing an EU-Liberia Forest Partnership, which could help avoid reversing more than a decade of progress in forest governance¹⁷⁷.

The EU's forest governance architecture increasingly reflects a multi-layered policy system in which VPAs, Forest Partnerships and the EUDR operate in parallel, albeit still not fully integrated instruments. VPAs provide legally binding frameworks focused on timber legality and traceability; Forest Partnerships

¹⁷⁴ It has been argued that 'the absence of legally enforceable commitments could weaken accountability mechanisms, whereas expanding the scope of existing VPAs might have provided a more credible pathway than replacing them with less formal cooperation arrangements'. Interview with a representative at Civic Response, online, 19 June 2026.

¹⁷⁵ During consultations, it has emerged that a potential risk associated with the transition to Forest Partnerships is that the new framework may dilute monitoring intensity, reduce the clarity of enforcement and weaken the compliance incentives that have characterised VPAs. Interview with Fern representatives, online, 4 June 2026.

¹⁷⁶ EU imports of wood from Liberia have been relatively low as compared to other countries examined here: in 2025 the EU imports accounted for USD 1.5 million; World Integrated Trade Solutions, '[WITS database](#)', webpage, nd.

¹⁷⁷ NGO Coalition of Liberia, [Six prerequisites for a successful EU-Liberia Forest Partnership](#), September 2025.

introduce a broader but less formalised cooperation platform; the EUDR establishes unilateral market access requirements centred on deforestation-free compliance. The three instruments shape a complex governance landscape combining trade, development cooperation and regulatory enforcement. However, the three instruments may not be fully coherent. VPAs were originally designed to provide market incentives by granting automatic legality recognition to FLEGT-licensed timber under the EUTR¹⁷⁸. With the EUDR's adoption¹⁷⁹, this preferential treatment has effectively disappeared, as all operators are now required to demonstrate compliance with the Regulation's deforestation-free due diligence requirements, irrespective of whether the timber is FLEGT licensed or not. This shift reflects the EUDR's broader objective, which extends beyond legality to address deforestation and forest degradation. Nevertheless, as was pointed out during interviews¹⁸⁰, removal of the market advantage associated with FLEGT licences has weakened one of the principal incentives underpinning VPA implementation. This shift may weaken the incentive structure that supported VPA implementation in various partner countries.

3.2 VPAs and the EUDR

The EUDR introduces obligations that extend beyond legality, requiring operators to demonstrate that products are both legal and deforestation-free. This compliance requires geolocation data, risk assessment procedures and verification that production did not occur on land subject to deforestation after the regulatory cut-off date. Under the previous EUTR, FLEGT-licensed products benefited from automatic recognition of legality and were exempt from due diligence requirements. This provided a clear commercial incentive for participation in the VPA process. Under the EUDR, though, legality alone is no longer sufficient. Even countries with advanced TLASs need to demonstrate compliance with deforestation-free requirements. Indonesia provides the clearest example of this tension. Indonesian stakeholders have argued that requiring additional EUDR verification for FLEGT-licensed timber may undermine the VPA framework's value potential¹⁸¹. Vietnam's situation illustrates both the relevance and limitations of VPAs. The VPA process strengthened due diligence systems, traceability mechanisms and legality verification in a highly export-oriented timber sector dependent on imported raw materials. The EUDR introduces requirements that go beyond legality, namely geolocation data and proof of deforestation-free production¹⁸². Hence, while VPAs provide an important foundation for compliance, further actions are needed to meet broader sustainability requirements embedded in the EUDR.

Legality assurance and traceability systems developed through VPAs provide many of the administrative and technical foundations necessary for EUDR compliance. Furthermore, countries that have invested in those systems can generally adapt to the new requirements. For instance, in Ghana, the electronic GWTS provides a strong basis for future EUDR implementation. Similarly, Honduras has begun integrating legality assurance with broader traceability and geospatial monitoring tools. Vietnam's TLAS system and

¹⁷⁸ European Commission, [Commission Staff Working Document Fitness Check on Regulation \(EU\) No 995/2010 laying down the obligations of operators who place timber and timber products on the market and on Regulation \(EC\) No 2173/2005 on the establishment of a FLEGT licensing scheme for imports of timber into the European Community](#), SWD(2021) 328 final, 17 November 2021

¹⁷⁹ European Commission, [Proposal for a Regulation of the European Parliament and of the Council on the making available on the Union market as well as export from the Union of certain commodities and products associated with deforestation and forest degradation and repealing Regulation \(EU\) No 995/2010](#), COM(2021) 706 final, 17 November 2021; European Commission, [Commission Staff Working Document Impact Assessment Report accompanying the Proposal for a Regulation of the European Parliament and of the Council on the making available on the Union market as well as export from the Union of certain commodities and products associated with deforestation and forest degradation and repealing Regulation \(EU\) No 995/2010](#), SWD(2021) 326 final, 17 November 2021; European Parliament and Council, [Regulation \(EU\) 2023/1115 on the making available on the Union market and the export from the Union of certain commodities and products associated with deforestation and forest degradation and repealing Regulation \(EU\) No 995/2010](#), *Official Journal of the EU*, L 150/206, 31 May 2023.

¹⁸⁰ Interview with Fern representatives, online, 4 June 2026.

¹⁸¹ It has been argued that significant investments were made to establish SALH and secure FLEGT licensing and that additional requirements may not be welcomed.

¹⁸² Similar challenges have also been claimed for the Indonesian case: FLEGT-licensed products need to demonstrate compliance with EUDR obligations.

associated reforms are also positive steps in the right direction. VPAs and the EUDR can be regarded as complementary policy instruments, with VPAs providing the institutional foundations for legality assurance, governance and timber traceability.

Moreover, the EUDR is extending these systems through additional due diligence requirements to ensure that products are both legal and deforestation-free. This complementarity depends on the adaptation of national VPA implementation systems, since compliance with FLEGT legality requirements alone no longer satisfies the broader obligations introduced by the EUDR. However, it must be noted that this transition may generate tensions if partner countries (and stakeholders) perceive diminishing rewards for previous investments in legality reforms.

3.3 Combating illegal logging and illegal trade

As far as the effectiveness of VPAs in combating illegal logging and illegal trade is concerned, the five cases covered earlier suggest that VPAs have contributed to strengthening forest governance and reducing opportunities for illegal logging¹⁸³. However, outcomes are heterogeneous, and stakeholder representatives suggest that differences in implementation progress can be explained by variations in governance capacity and institutional strength, rather than differences in the VPA framework's formal design.

Indonesia certainly presents a very good example of effectiveness. The TLAS system established a nationwide legality verification framework covering harvesting, processing, transport and export activities¹⁸⁴. Independent monitoring, mandatory certification requirements and comprehensive traceability systems have improved transparency and accountability across the sector¹⁸⁵. While illegal logging has not been fully eliminated, governance standards have improved substantially compared to the pre-VPA conditions. This case demonstrates that VPAs may prove effective when certain enabling conditions are present, *inter alia*: strong political commitment; a significant export-oriented timber sector; sufficient administrative capacity; and meaningful commercial incentives linked to EU market access. Where such incentives have been weak because exports to the EU represent a small share of total timber trade, implementation has generally progressed more slowly.

Ghana offers a second positive example. Although implementation required more than fifteen years of reform efforts, the country did eventually successfully develop an operational TLAS and became the first African country to issue FLEGT licences. Significant improvements were achieved in wood tracking, legality verification and stakeholder participation. Introducing electronic traceability systems and dedicated validation institutions strengthened governance capacities beyond the specific requirements of timber exports. By contrast, experiences in Honduras and the Republic of the Congo illustrate difficulties associated with implementation in contexts characterised by weaker administrative capacities and more complex governance environments. Although the two countries have implemented important institutional reforms, their licensing systems remain incomplete, thereby limiting further development because stakeholders are unable to take full advantage of market-access gains. In other words, VPAs have been

¹⁸³ Effective forest governance depends not only on the existence of regulatory frameworks but also on institutional capacity for enforcement. For instance, Brazil's environmental crime framework has been considered one of the most modern and comprehensive of its kind, whereas Indonesia has experienced more persistent challenges related to weak enforcement, limited monitoring capacity and corruption risks among officials. L. Tacconi et al., ['Law enforcement and deforestation: Lessons for Indonesia from Brazil'](#), *Forest Policy and Economics*, Vol 108, 2019.

¹⁸⁴ Notably, comprehensive TLAS frameworks help reduce the possibility that only selected volumes destined for regulated markets receive enhanced scrutiny. P. O. Cerutti et al., ['Voluntary Partnership Agreements: Assessing impacts for better policy decisions'](#), *Forest Policy and Economics*, Vol 124, 2021.

¹⁸⁵ Moreover, as argued by Berning and Sotirov, it seems advisable to promote a mix of mandatory due diligence and voluntary sustainability standards, with certification tools as complementary instruments for assessing and mitigating deforestation risks within regulatory frameworks. L. Berning and M. Sotirov, ['The coalitional politics of the European Union regulation on deforestation-free products'](#), *Forest Policy and Economics*, Vol 158, 2024.

effective governance reform instruments, albeit not necessarily enhancing trade with partners, as has also emerged in previous studies¹⁸⁶. Furthermore, stakeholder representatives suggest that VPA implementation has contributed positively to the EU's sustainable trade objectives, particularly by strengthening forest governance, improving legality verification systems and enhancing transparency in timber supply chains¹⁸⁷. However, regrettably, these effects are uneven across countries and are more pronounced in governance processes than measurable environmental outcomes.

3.4 Broader sustainability objectives

Based on discussions with stakeholder representatives, VPAs appear to have contributed to broader sustainability objectives. Firstly, VPAs have strengthened forest governance institutions, a prerequisite for biodiversity conservation, climate change mitigation and sustainable forest management. Secondly, VPAs have promoted stakeholder participation and transparency. The Republic of the Congo VPA experience shows that civil society participation improved formally through new dialogue platforms, greater NGO access and increased transparency, thereby strengthening governance legitimacy in principle. However, participation quality was uneven due to government dominance, some NGO's weak independence and risks of co-optation, which at times undermined the effectiveness of multi-stakeholder processes. CSOs, Indigenous peoples, local communities and private-sector actors have all been integrated into governance processes to varying extents across partner countries. These participatory mechanisms often generate benefits that extend beyond timber legality, fostering the development of virtuous ecosystems and providing a foundation for the development of sustainable value chains.

Another important aspect is that TLASs improve the availability and quality of forest-sector information, *inter alia*: digital traceability systems, legality databases, geospatial monitoring platforms and supply-chain controls. All create administrative capacities that can also be applied elsewhere, within for example climate policies, biodiversity monitoring and deforestation-free supply chain initiatives. However, enforcement remains one of the main constraints affecting VPAs' effectiveness, due to persistent limitations in monitoring capacity, inter-agency coordination and cross-border enforcement of illegal timber trade¹⁸⁸. Despite these positive aspects, the contribution of VPAs to reducing deforestation cannot be considered as very substantial¹⁸⁹, perhaps indicating the need to couple VPAs with additional policy instruments, supporting the development of Forest Partnerships and the EUDR for achieving the EU's wider sustainability objectives.

In terms of lessons that can be learned for trade cooperation, the VPA experience seems to suggest that legality-based trade cooperation can generate governance benefits extending beyond the forestry sector. What has proved effective is: the participatory approach (multi-stakeholder participation); structured dialogue (between governments, civil society and the private sector); and digital solutions (digital traceability systems). These schemes may go beyond the timber sector and could be replicated for other value chains facing similar challenges and in need of sustainability standards, such as coffee and cocoa¹⁹⁰.

¹⁸⁶ European Commission, [Commission Staff Working Document Fitness Check on Regulation \(EU\) No 995/2010 laying down the obligations of operators who place timber and timber products on the market and on Regulation \(EC\) No 2173/2005 on the establishment of a FLEGT licensing scheme for imports of timber into the European Community](#), SWD(2021) 328 final, 17 November 2021.

¹⁸⁷ This is remarkable: the complexity of timber supply chains risks fragmenting legality verification, especially where operators rely on multiple suppliers and intermediaries. This is why VPAs aim to establish nationally embedded TLASs rather than relying exclusively on private company controls. C. Overdevest and J. Zeitlin, '[Constructing a transnational timber legality assurance regime: Architecture, accomplishments, and challenges of the European Union Voluntary Partnership Agreement](#)', *Forest Policy and Economics*, Vol 48, 2014, pp. 6–15.

¹⁸⁸ Interview with an active member of the Kaoem Telapak, online, 4 June 2026.

¹⁸⁹ Notably, in Indonesia, the reduction in the trade of illegally harvested timber stands in contrast to other persistent drivers of deforestation, including agricultural expansion, mining, infrastructure development and land-use change.

¹⁹⁰ Indeed, Honduras is extending legality and traceability approaches developed through the VPA process to agricultural commodities.

The VPA experience also flags the importance of long-term institutional engagement. Governance reforms typically require sustained political commitment, administrative capacity-building and continual stakeholder participation. The success of Indonesia and Ghana reflects investments spanning more than a decade rather than short-term project interventions. Important lessons can be derived from VPAs' limitations: market incentives may be insufficient to drive transformational governance reforms, especially when entrepreneurs divert trade toward other countries¹⁹¹. Evidence suggests that market incentives alone may be insufficient to sustain transformational governance reforms, particularly where the EU accounts for only a small share of timber exports. In such contexts, the commercial value of preferential market access is limited, thereby reducing any incentive to undertake politically and administratively costly reforms. Moreover, regulatory incentives should be coupled with broader development partnerships, technical assistance and political engagement.

4 Conclusion and recommendations

Experience from the FLEGT Action Plan and its VPAs demonstrates that legality-based trade cooperation may generate substantial benefits, even where environmental and trade outcomes remain less visible. Across the five case studies examined, there have been significant achievements in terms of transparency, legality verification, traceability systems, stakeholder engagement and institutional coordination. The Indonesian and Ghanaian cases particularly illustrate that sustained political commitment, administrative capacity and long-term engagement result in TLASs which can enhance credibility in international markets.

However, implementing VPAs seems to be such a lengthy process, eventually reaching the licensing stage after 13 years for Indonesia and 16 years for Ghana. The EUDR's emergence has further complicated this scenario and may alter the incentive structure that originally supported VPAs. Moreover, while Forest Partnerships represent opportunities to broaden cooperation around wide objectives, they may weaken accountability mechanisms, the VPA framework's key strength. Against this background, the question for the EU is not whether to replace VPAs but how to preserve and build upon the governance gains achieved so far in partner countries. In other words, whereas the greatest achievements of VPAs concern governance reforms rather than licensing itself, Forest Partnerships should preserve these governance components instead of replacing them with purely technical cooperation.

- The following recommendations should be understood as policy options whose feasibility and effectiveness cannot be taken for granted but rather depend on several factors, including market incentives, partner-country institutional capacity, the distribution of compliance costs across firms and the responses of alternative timber-importing markets. In the short term, the EU could focus on unlocking the stalled situations that continue to affect various VPA partner countries. While significant investments have been made in TLASs in partner countries, traceability mechanisms, governance reforms and incentives for completing implementation have weakened with the transition from the EUTR to the EUDR. It would be recommended that the European Parliament call on the Commission to ensure that this transition does not unintentionally weaken the incentive structure. This may include monitoring whether EUDR implementation maintains sufficient commercial value for legality-verified timber to sustain partner-country engagement in forest governance reforms. To maintain and reinforce market incentives for legally verified timber, price signalling, procurement preferences¹⁹² and clear EUDR compliance advantages for VPA-compliant operators may be leveraged¹⁹³. The European Parliament may call on the European Commission to

¹⁹¹ This has been claimed very clearly for the Republic of the Congo.

¹⁹² For example, contracting authorities could award additional points to bids containing FLEGT-licensed timber during tender evaluation.

¹⁹³ For instance, operators sourcing from countries with fully operational and independently audited TLASs could be able to rely on these systems as part of their risk assessment, reducing compliance costs without exempting them from EUDR obligations.

ensure that VPA-compliant supply chains are recognised within EUDR due diligence frameworks in ways that reduce transaction costs and facilitate market access for compliant operators¹⁹⁴. The EU could strengthen communication efforts towards both businesses and consumers to ensure that legally verified and traceable timber products are recognised and differentiated in European markets. By improving market transparency through traceability requirements and procurement criteria, the EU may reward verified legality, potentially improving the market recognition of legally verified timber¹⁹⁵ and helping to offset, at least partially, the compliance costs incurred by producers and exporters. Moreover, the European Parliament may call on the Commission to safeguard economic and regulatory incentives for VPA-compliant operators, ensuring that the transition to the EUDR does not undermine existing investments in TLASs. It may support the development of interoperable 'one-stop' digital compliance systems and may encourage the upgrading of existing VPA systems into EUDR-compatible national digital dashboards to enable single-submission reporting per shipment and reduce duplicative compliance burdens across supply chains.

- In the medium term, the EU may devote more attention to supporting the development of sustainable timber value chains in partner countries. One of the lessons emerging from the VPA experience is that many producer countries continue to rely heavily on exports of raw or minimally processed timber, thereby capturing only a limited share of the value generated along the supply chain. The challenge is recognised in the EU's Forest Partnerships, which seek to promote sustainable forest-based value chains by supporting domestic processing, value addition, investment and improved market opportunities. This approach would contribute to local economic development, reinforcing incentives for sustainable forest management and strengthening support for timber-related agreements with the EU. In addition, support for sustainable value chains may explicitly address the risk that increasingly complex legality and traceability requirements exclude smallholders and SMEs. EU cooperation may prioritise technical assistance, collective certification and verification mechanisms and access to finance for smaller operators. Without such measures, strengthened market requirements may limit the participation of smaller producers in formal and sustainable value chains.

A complementary priority may be the development of digital technologies that facilitate efficient and cost-effective monitoring, verification and traceability. The EU may support investments in digital wood-tracking systems, geospatial monitoring tools, remote-sensing technologies and interoperable databases capable of reducing compliance costs for both operators and public authorities. Attention may be paid to SMEs, for which fixed costs associated with geolocation, documentation, auditing and digital traceability can represent a substantially larger share of operating costs than for large exporters. EU-supported shared digital infrastructure and collective compliance schemes may reduce fixed costs and avoid further concentration of timber exports among larger firms. It would be recommended that the European Parliament prioritise dedicated funding under EU external action and research instruments to scale interoperable digital traceability systems that support EUDR compliance and VPA implementation in partner countries, enhancing supply chain transparency and enforcement capacity. Beyond their immediate

¹⁹⁴ By reducing administrative and procedural costs – through measures such as priority customs clearance, digital processing of licences, electronic document exchange, or trusted trader arrangements – the EU could reward compliance and improve the competitiveness of legally verified timber. This approach is consistent with existing customs practices, notably the Authorised Economic Operator programme, which grants procedural benefits to operators demonstrating high levels of regulatory compliance. European Commission, [Authorised Economic Operators Guidelines](#), TAXUD/B2/047/2011, Directorate-General for Taxation and Customs Union, 2016.

¹⁹⁵ W. Kollert and P. Lagan, '[Do certified tropical logs fetch a market premium?: A comparative price analysis from Sabah, Malaysia](#)', *Forest Policy and Economics*, Vol 9, No 7, 2007, pp. 862–868; Y. Yamamoto et al., '[Is there a price premium for certified wood? Empirical evidence from log auction data in Japan](#)', *Forest Policy and Economics*, Vol 38, 2014, pp. 168–172.

application to timber legality and EUDR compliance, these systems could generate broader public benefits. The same technological infrastructure could support forest-fire prevention, land-use planning, biodiversity monitoring, agricultural policy implementation and the assessment of land-tenure dynamics. Creating synergies across policy sectors would improve cost-effectiveness while strengthening the overall governance of natural resources.

Moreover, the European Parliament may call on the Commission to improve alignment of EUDR due diligence with private certification schemes¹⁹⁶, enabling the use of existing audit data and reducing duplication of compliance checks. For example, the Commission could explore targeted commercial incentives, including streamlined administrative procedures and appropriate recognition in public procurement, where compatible with EU procurement and customs rules, to preserve some of the commercial value associated with investments in legality verification.

- In the long term, the EU could place greater emphasis on international cooperation aimed at promoting convergence around sustainability and legality standards. The effectiveness of measures addressing illegal logging ultimately depends on the extent to which major timber-importing markets adopt compatible approaches. If significant alternative markets remain available for illegally harvested timber, the impact of EU measures will inevitably be constrained. The EU may monitor potential leakage effects, whereby timber excluded from EU markets is redirected towards less-regulated destination markets. This would require greater information exchange with major timber-importing countries and coordinated approaches to legality verification and customs enforcement. Moreover, the EU may pursue structured regulatory convergence dialogues, improving coherence across EU trade instruments so that VPAs, FTAs and the EUDR reinforce rather than duplicate one another. For partner countries that have concluded both a VPA and a Free Trade Agreement (FTA) (or a preferential trade agreement) with the EU, the implementation structures established under the FTA – particularly the Trade and Sustainable Development chapter and its institutional bodies – may be used to reinforce forest governance reforms, support adaptation of TLAS to the EUDR and maintain political dialogue on traceability, transparency and sustainable forest management. Cooperation with major timber-trading partners should be tailored to the characteristics of each partner. With like-minded jurisdictions such as the USA, the UK, Australia and Japan, the EU could promote greater convergence in due diligence requirements, traceability systems and information exchange. By contrast, cooperation with China should focus on practical enforcement cooperation, customs collaboration and dialogue on timber legality verification, recognising that full alignment of regulatory standards is unlikely in the short term. In the case of Brazil, cooperation could build on the institutional framework provided by the EU-Mercosur Agreement to strengthen forest governance, traceability and action against illegal logging, while acknowledging that the Agreement does not replicate the comprehensive governance reforms embedded in FLEGT VPAs. Expanding international cooperation would help transform the fight against illegal logging from a predominantly European initiative into a broader global agenda.

Finally, the EU could support long-term approaches to sustainable landscape governance that address the structural drivers of forest loss. In some producer countries, tensions between agricultural expansion, infrastructure development and forest conservation remain a major challenge. Hence, it is recommended that future EU cooperation should shift from commodity-

¹⁹⁶ The main difference between FLEGT licences and private certification schemes is that the former are officially recognised as evidence of compliance with the legality requirement (i.e. operators do not need to reassess the legality already guaranteed through the licence, although they must still comply with the EUDR's other requirements by demonstrating that the products are deforestation-free), whereas the latter have no automatic legal effect and may only support due diligence by providing evidence on traceability or forest management.

based interventions to integrated landscape governance programmes combining land-use zoning, agricultural policy alignment and forest conservation planning at the territorial level. Such approaches should recognise that land-use conflicts are often rooted in competing economic interests, institutional mandates and land-tenure arrangements that cannot be resolved through forest policy alone. EU support may therefore focus on strengthening participatory land-use planning and rights, as well as on tenure security. By fostering sustainable land-use strategies, the EU could contribute not only to reducing illegal logging and deforestation but also to strengthening the long-term resilience of forest-dependent communities and ecosystems.

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Annex

Annex Table 1: EU imports of wood and wood products (HS 44) from VPA countries, 2025

Country	Region	VPA status	EU imports (USD thousand)
Cameroon	Africa	Implementing/Proposed termination	242 280.8
Central African Republic	Africa	Implementing	13 896.8
Republic of Côte d'Ivoire	Africa	Signed/Entering implementation	42 663.5
Gabon	Africa	Negotiating/Paused	254 841.6
Ghana	Africa	FLEGT licensed	3 507.7
Guyana	Americas	Implementing	1 806.0
Honduras	Americas	Implementing	327.3
Indonesia	Asia	FLEGT licensed	382 108.4
Lao People's Democratic Republic	Asia	Negotiating	93.8
Liberia	Africa	Implementing/Proposed termination	1 557.9
Malaysia	Asia	Negotiating/Paused	265 090.7
Republic of the Congo	Africa	Implementing	100 636.8
Thailand	Asia	Negotiating	108 638.4
Vietnam	Asia	Implementing	294 297.8

Source: Author's calculations based on World Integrated Trade Solutions and other sources¹⁹⁷.

¹⁹⁷ World Integrated Trade Solutions, '[WITS database](#)' webpage, nd, EU gross imports, HS Chapter 44 (Wood and articles of wood) data retrieved from Eurostat, '[Comext database](#)', webpage, nd. VPA implementation status compiled from EU FLEGT programme documentation: European Commission, [Commission Staff Working Document Fitness Check on Regulation \(EU\) No 995/2010 laying down the obligations of operators who place timber and timber products on the market and on Regulation \(EC\) No 2173/2005 on the establishment of a FLEGT licensing scheme for imports of timber into the European Community](#), SWD(2021) 328 final, 17 November 2021; European Commission, [Proposal for a Council Decision on the termination of the Voluntary Partnership Agreement between the European Union and the Republic of Cameroon on forest law enforcement, governance and trade in timber and derived products to the Union](#), COM(2024) 446 final, 2 October 2024; European Commission, [Proposal for a Council Decision on the termination of the Voluntary Partnership Agreement between the European Union and the Republic of Liberia on Forest Law Enforcement, Governance and Trade in timber products to the European Union](#), COM(2025) 467 final, 9 September 2025.

Annex Table 2: List of interviews, by country

Country	Organisation	Date
Ghana	Tropenbos Ghana	14 April 2026
Ghana	Timber Validation Department	29 April 2026
Ghana	Civic Response	19 June 2026
Indonesia	Greenpeace Indonesia	17 April 2026
Indonesia	Kaoem Telapak	4 June 2026
Vietnam	CIFOR and ICRAF	29 April 2026
Vietnam	Tropenbos Vietnam	29 April 2026
Vietnam	Vietnam Forestry Administration (VNFOREST)	3 June 2026
Congo	Congo Basin Forest Partnership	11 May 2026
Congo	ATIBT (Association Technique Internationale des Bois Tropicaux)	27 May 2026
Congo	FERN	4 June 2026
Honduras	ICF – Instituto de Conservación Forestal	25 May 2026
Honduras	Monitoreo Forestal Independiente (MFI)	19 June 2026
EU Commission	DG INTPA	19 May 2026
EU Commission	DG ENV	17 June 2026

Annex Table 3: Major certification schemes, by country

Country	Main certification schemes
Indonesia	FSC PEFC/IFCC (Indonesian Forestry Certification Cooperation) LEI (Lembaga Ekolabel Indonesia)
Ghana	FSC PEFC (working group exists but no endorsed national system) Rainforest Alliance (selected concessions)
Vietnam	FSC PEFC/VFCS (Vietnam Forest Certification Scheme) TLTV (Timber Legality & Traceability Verification)
Honduras	FSC (forest management and chain of custody) Rainforest Alliance
Republic of the Congo	FSC PAFC Congo (PEFC-endorsed) TLTV (Timber Legality and Traceability Verification)

Compiled by the author using various sources¹⁹⁸

¹⁹⁸ PEFC, [2025 PEFC Annual Review: Advancing sustainable forest management through partnerships and impact](#), 2026; P. O. Cerutti et al., [Collecting evidence of FLEGT-VPA impacts: Global synthesis report](#), Center for International Forestry Research, 2022.

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