## Coalition of tropical timber producing countries: joint statement seeking Broader Market Recognition of national verification systems

There is global recognition that forests are crucial for mitigating climate change, which led to COP26 calling to halt and reverse forest loss and land degradation by 2030, and to strengthen support to forest countries that have maintained forest cover. Robust national timber verification systems have demonstrated an ability to effectively counter deforestation and maintain forest cover., and therefore need adequate support from producer and consumer countries to stimulate further uptake.

As a coalition of government, private sector and civil society representatives from tropical timber producer countries, we the undersigned, commit to the development of an international framework to drive transformational change in the forest sector by rewarding good governance with strong market incentives.

- Clear market incentives play a critical role in reinforcing producer country efforts to promote sustainable forest management. International frameworks, such as the European Union's Forest Law Enforcement Governance and Trade (FLEGT) Action Plan, and national certification schemes such as SVLK, acknowledged the power of international markets as a driver for strengthened forest governance.
- 2. We hereby advocate for robust national systems, such as those developed through FLEGT Voluntary Partnership Agreements (VPAs), which deliver forest management standards that:
  - i. are developed through inclusive multi-stakeholder processes
  - ii. ensure compliance with national legal frameworks that include laws that address environmental, social, and economic principles
  - iii. require mandatory nationwide compliance with the agreed standard
  - iv. provide opportunity for independent forest monitoring
  - v. are audited by an independent third party
  - vi. ensure continuous improvement of the standard and system over time
- 3. The nature of the multi-stakeholder deliberative processes through which these systems were developed, has and will continue to ensure:
  - i. More inclusive policy making that considers the rights of all sector stakeholders, including Indigenous Peoples and local communities (IPLCs)
  - ii. Continuous improvement in forest governance through greater transparency and accountability in the management of forest resources
  - iii. Strengthened oversight of timber operations due to complementary forest monitoring efforts by non-state actors
  - iv. The development of credible national systems for increasingly discerning international markets
- 4. Market recognition is important for incentivising national systems. The FLEGT licensing system of the EU and the UK currently provides a green lane to timber coming from recognised timber legality assurance systems. Producer countries have been developing robust national systems, and call for these to be widely recognised, including in markets beyond the

EU and the UK. There is general agreement that further efforts must be made to ensure that these national systems achieve full international market recognition.

- 5. The mechanism for delivering broader market recognition of national systems will:
  - i. Assess the extent to which national systems that it seeks to promote, can be characterised as having the elements described above
  - ii. Provide an oversight structure to safeguard and strengthen the nationally determined standards
  - iii. Provides graduated incentives to reflect progress towards a robust national system
  - iv. Advocate a green lane access in international markets for products produced under such systems
  - v. Invest in promotion of products produced under such systems
  - vi. Recognise the need for investment in capacity building of small and medium enterprises
  - vii. Protect against conditionalities and other arbitrary changes to standards and the operation of the system
  - *viii*. Empower collective leadership of producer countries that leads to a greater knowledge sharing, higher level of commitment towards good forest governance, and mutual accountability.
- 6. We commit to continuing close collaboration within this group and working with other likeminded tropical timber producer countries to identify an international mechanism that builds on the strengths of the FLEGT process while addressing its weaknesses.
- 7. We invite other timber producer countries to join the initiative. Together, we will engage in extensive cooperation, to speed up transformational change in the forest sector by incentivising good forest governance with strong market incentives.

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