



WORKSHOP SUMMARY

2nd Sub-Regional Training Workshop on Timber Legality Assurance Systems

25-27 October 2011 Kota Kinabalu, Malaysia

A training workshop with participants and resource persons from Cambodia, Indonesia, Laos, Malaysia, Myanmar, Thailand, Vietnam and the Philippines was held in Kota Kinabalu from 25-27 October 2011, co-organized by the Sabah Forestry Department, the EFI EU FLEGT Asia Support Programme, and the ASEAN Secretariat. The more than 50 participants and resource persons included government officials, members of civil society and the private sector. The workshop agenda covered presentations, thematic group work and a field visit to promote exchange, dialogue and better understanding on Timber Legality Assurance Systems (TLAS).

In response to the serious global concern on illegal logging and its associated timber trade, initiatives and regulations are being implemented to combat such malpractices including, among others, the EU FLEGT Action Plan, the EU Timber Regulation, the US Lacey Act and Public Procurement Policies of many countries. These initiatives demand the importation of timber and timber products which have been verified through a credible Timber Legality Assurance System (TLAS). Such a system is central to EU FLEGT Voluntary Partnership Agreements (VPA), which were so far concluded with Ghana, Cameroon, Republic of Congo, Central African Republic, Indonesia, and Liberia. In the ASEAN region, VPA negotiations are currently underway with Malaysia and Vietnam.

In November 2009, the ASEAN Member States adopted a reference framework for timber legality at the forest management unit level and for chain of custody. This ASEAN initiative is a significant contribution to promote the development of credible systems for the verification of timber legality at national level.

It is within this context that the second sub-regional Training Workshop on TLAS was convened with the following objectives:

- Provide an overview of the policies related to timber legality and market initiatives;
- Exchange experiences on TLAS and VPAs between ASEAN Member States;
- Enhance the capacity of the participating countries to develop and implement TLAS through exchange and lessons learned;
- Discuss options and elaborate next steps for sub-regional and/or national level processes in the Mekong region.

During the workshop, presentations were made by resource persons and representatives of the 8 participating ASEAN Member States. General presentations by the European resource persons provided important information on relevant international initiatives and the role of stakeholders in TLAS development under FLEGT VPAs. Participating countries then highlighted the situation in their country outlining their TLAS achievements to date and commenting on some of the challenges still ahead. The interrelationships across countries became apparent given some countries import from neighbours and others export in the region. During discussions it was highlighted that the interrelations are vital when addressing the new EU Timber Regulation, where Due Diligence to ensure legal sourcing will be required, and thus more dialogue across borders may be needed on how to maintain credible TLAS systems beyond national borders.

At the end of the country presentations, participants separated into three thematic working groups where each group discussed one of the following issues: (1) timber tracking and control; (2) how to define timber legality; and (3) how to identify and secure stakeholder support. Each thematic working group exchanged ideas and developed a number of recommendations that were presented back to the larger group so participants could take such lessons and recommendations back to their respective countries. Key highlights of the discussions included:

- Identification of similarities in gaps in national traceability systems with regard to (i) control of timber flows from conversion areas, (ii) control of certain plantation species, and (iii) control of species not regulated by the forest administration but used in furniture and other combined products (e.g. rubber, oil palm trunks, rattan);
- Identification of common weaknesses in enforcement due to system failures and lack of capacity;
- The important role of the private sector and its associations in establishing improved control systems, and the need for effective incentives / sanctions to motivate compliance by enterprises;
- The need for coordination among different implementing agencies with responsibility over the production chains in each country;
- Similarities in the timber tracking systems used within ASEAN;
- Differences related to inspections done by customs (inspection of all imports versus selective inspections based a risk approach), and differences in data management systems used;
- The need to look at import regulations of the processing countries (Thailand, Vietnam, to a certain extend Philippines), given the new Due Diligence requirements under the EU Timber Regulation;
- Existence of significant differences related to stakeholder involvement in forestry in each country;
- The importance of stakeholder engagement in the VPA/TLAS process, and the need to let stakeholders self-define their participation strategy and inputs;
- The risk that “invisible” stakeholders might be forgotten and the challenge to involve them;
- The need for close sub-regional coordination and exchange of knowledge and experiences within ASEAN; and

- The need for resources and technical support to facilitate capacity building in developing a national TLAS fulfilling VPA and regional requirements.

Discussions following the thematic group presentations provided insight as to the key areas that regional exchange should focus on in the coming year. Regional dialogue among the different countries was greatly appreciated and encouraged by all participants. They see the following areas should be of particular focus:

1. In preparation of the ASEAN Single Customs Window and market changes requiring legality verification of timber throughout ASEAN, increased coordination should occur among ASEAN Member States on data concerning in/out flow of timber, legality definitions/legal standards, and harmonisation of data management systems, terms, formats as well as traceability requirements.
2. It is recommended that ASEAN identifies Country Focal Points on Timber Legality for improved coordination and promotion of related dialogue between ASEAN Member States (similar to CITES).
3. Regular regional knowledge exchange and capacity building on TLAS should take place within ASEAN/the Mekong Region, in particular regarding the TLAS elements (i) control of imports, (ii) design of independent monitoring, and (iii) credible stakeholder processes.
4. It is further recommended that neighbouring countries should promote bi-lateral mechanisms such as country to country or province to province MoUs to exchange information, and to strengthen cross border law enforcement.

On the third day of the event, the participants visited the long term license area and processing sites of the Sabah Forest Industries SDN BHD. The participants could witness how the company has already put in place the traceability requirements of the Sabah draft TLAS and other private sector verification systems, and how progress was regularly monitored through an independent audit programme implemented by Global Forest Services under the oversight of the Sabah Forest Administration and a German-Dutch support programme. The participants learned that the private sector in Sabah is responsive to increased transparency and targeted control, if precise requirements and long term security exist.

The success of the workshop is attributable to the active participation of all participants, the very informative presentations by resource persons, and the general conduct and structure of the workshop in addition to the hospitality of the host government. All participants wish to convey their appreciation to the organizers and sponsors of the workshop, Dr. Alexander Hinrichs as workshop facilitator, the contributions of the resource persons from the European Forest Institute, Indonesia and Malaysia, and the excellent logistical arrangements. The workshop was held in the traditional ASEAN spirit of cooperation and solidarity.

A list of all presentations given at the workshop can be found in Annex 1.

Kota Kinabalu, Malaysia
25-27 October 2011

Annex 1 – List of Presentations

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| <i>Introduction to programme</i> By: Alexander Hinrichs | [link] |
| <i>Update on EU activities to promote timber legality: VPA, EU Timber Regulation and Public Procurement</i> By: Alexander Hinrichs | [link] |
| <i>The role of stakeholders in TLAS development under FLEGT VPAs</i> By: Melissa Othman & Iola Leal | [link] |
| <i>Case study: Stakeholder mapping in Vietnam</i> By: To Xuan Phuc | [link] |
| <i>Update on Indonesia - VPA Implementation</i> By: Agus Setyarso | [link] |
| <i>Update on Malaysia - VPA Negotiation</i> By: Loke Sim Wah | [link] |
| <i>Update on Vietnam - VPA Negotiation</i> By: Nguyen Huu Dzung | [link] |
| <i>Update on Thailand</i> By: Thada Suwannawimon | [link] [video] |
| <i>Update on Laos</i> By: Khamphout Phandanouvong | [link] |
| <i>Update on Cambodia</i> By: Suon Sovann | [link] |
| <i>Update on Myanmar</i> By: Maung Maung Kyaw | [link] |
| <i>Update on Philippines</i> By: Genesis J. Francisco | [link] |
| <i>Group 1: How to identify and address gaps in timber tracking and control?</i> | [link] |
| <i>Group 2: How to define timber legality (legality of national production and legality of imports)?</i> | [link] |
| <i>Group 3: How to identify and secure stakeholder support?</i> | [link] |