



WORKSHOP SUMMARY

Sixth Sub-Regional Training Workshop on Timber Legality Assurance

3 - 5 July 2018 CHIANG MAI, THAILAND

Introduction

Representatives of the Government of Thailand, the European Union (EU), the ASEAN member states (AMS), the People's Republic of China and international organisations gathered in Chiang Mai for a three-day workshop from 3-5 July 2018 to share progress under national and regional efforts to tackle illegal logging and associated trade. The EU FLEGT Facility hosted by the European Forest Institute (EFI), the ASEAN secretariat and the Thai Royal Forest Department (RFD) co-organised the event.

The workshop was officiated by:

- **Mr. Athapol Charoenchansa**, Deputy Director General, Thai RFD
- **Mr. Michael Bucki**, Climate Change and Environment Counsellor, EU Delegation to Indonesia and Brunei Darussalam
- **Mr. Pralong Damrongthai**, Inspector General, Ministry of National Resources and Environment





The workshop was the sixth in a series that have taken place in Vietnam (2010), Malaysia (2012 and 2013), Laos (2014) and Indonesia (2016).

Approximately 70 participants attended the workshop, including government officials, members of civil society and private sector from eight AMS (Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Thailand and Vietnam) and China, representatives from two EU Delegations to AMS (Thailand and Vietnam), EU Consultant, and the regional office of the FAO-EU FLEGT Programme. Resource persons came from the EU FLEGT Facility, EU REDD Facility, FAO-EU FLEGT Programme, Thai-EU FLEGT Secretariat Office (TEFSO) and RECOFTC.

- The EU reported that it is working bilaterally with six ASEAN member states on FLEGT and welcomed the important role ASEAN is playing in promoting regional cooperation to combat illegal logging and associated trade. The EU highlighted the importance of ASEAN's commitment to a 10-year work plan on FLEG that will take ASEAN forward in this global effort. The EU emphasized that multi-stakeholder participation is needed to lead to good governance and welcomed the broad background of the participants. The EU further welcomed participation of representatives from China given China's importance as market partner for ASEAN.
- On behalf of the Ministry of Natural Resources and Environment of Thailand, the Inspector General opened the workshop and warmly welcomed participants to Chiang Mai. He reported that Thailand has been taking actions to deal with illegal logging and its associated trade. In Thailand, the Voluntary Partnership Agreement (VPA) process started in 2017. The third technical Joint Expert Meeting (JEM) between the EU and Thailand took place in March 2018 and will be followed up by the second negotiations after the 6th TLA workshop. He mentioned that VPA process has been progressing smoothly in Thailand and has led to several reforms and achievements, in particular draft annexes of the VPA on legality definition, product scope, supply chain control which includes timber from private land and import control, and TLAS. He emphasized the role of inclusive multi-stakeholder participation in achieving these outcomes. He urged ASEAN member states to share their experiences with VPA processes.
- In ASEAN, member states have committed themselves to develop national standards on timber legality, and the ASEAN Working Group on Forest Products Development has become involved in related capacity building. Within ASEAN, initiatives to address illegal logging and its associated trade include ASEAN Criteria and Indicators for Legality of Timber, Guidelines on Phased Approach for Forest Certification and Guidelines for Chain-of-Custody of Legal and Sustainable Timber. Momentum increased through bilateral actions between ASEAN Member States and the EU under the EU Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan of 2003.
- The opening of the workshop was covered by the Thai media.
 - Link: https://www.matichon.co.th/local/quality-life/news_1026974

The workshop agenda covered presentations, discussions, thematic group work and a field visit to the Mae Tha Community. The agenda focused in part on national efforts



to assure the legality of timber products, including through VPAs with the EU, under the EU FLEGT Action Plan. Participants were requested to contribute to the programme by presenting an update of TLA development /timber legality work in their respective countries, and by actively taking part in the sessions set aside for group discussions.

Participants were also updated on the EU FLEGT Action Plan and other EU policies, the Work Plan for Forest Law Enforcement and Governance in ASEAN (2016-2025) which the ASEAN Ministerial Meeting on Agriculture and Forestry adopted in 2016, and other initiatives such as a Regional Voluntary Code of Conduct for Forest and Timber Companies in ASEAN. As AMS are committed to combating illegal logging and the trade in illegally logged timber through improving forest law enforcement and governance, one facet to take into account would be the timber imports from within and from outside the region.



Objectives

The workshop had the following objectives:

- Exchange of information, and enable participants to learn from each other's experiences on timber legality assurance, including regulations on imports
- Increase multi-stakeholder collaboration among AMS on forestry, governance and trade issues
- Contribute to discussions on regional mutual recognition arrangement on timber legality for ASEAN Member States Learn from developments in the other commodities sector and from a major Asian consumer on responsible sourcing



- Share findings of the EU FLEGT Facility's study on small and micro economic entities in the forestry and timber processing sector in the Mekong Region

Overview of Sessions

DAY 1

Session 1: Overview on Recent Developments

After the Opening Ceremony, the EU Delegation to Indonesia and Brunei Darussalam presented an update on the FLEGT Action Plan, status of EU Timber Regulation, and experience from FLEGT licensing in Indonesia.

- Recommendations from the evaluation of the FLEGT Action Plan include: Adapt to evolving context, e.g. changes in trade; further action required to address deforestation, e.g. conversion; improve efficiency and effectiveness: wise use of resources, results-oriented management, strengthened planning, improved monitoring and reporting, enhanced communication; strengthen implementation and enforcement of EUTR; VPAs: prioritization needed, focus on successful conclusion and implementation of existing VPAs, better adapt to country context and capacity, consider alternatives when VPA is not feasible.
- There has been significant progress in the implementation and enforcement of the EU Timber Regulation. The EUTR Competent Authorities are performing checks and taking action when faced with EUTR breaches. Checks are carried out by Member States according to plans that are based on risk criteria. Checks are performed both for timber harvested in EU Member States and imported timber. The Commission monitors and facilitates enforcement by EUTR CAs, and firmly takes action to address non-compliance or insufficient implementation by the EU Member States.
- After 18 months of FLEGT licencing in Indonesia, some of the key lessons learned include: Positive reception of FLEGT licences on EU market; importance of building trust and awareness of the FLEGT brand; and prior consultations with stakeholders are required to align VPA with national legislation and system.

This was followed by a presentation on the overview of timber legality development in Asia from the Head EU FLEGT/ REDD Facility Asia Regional Office.

- ASEAN member states are at different phases in their timber legality development. In Indonesia, the national TLAS is operational and enshrined within the legal framework. Vietnam's national TLAS is fully designed and a VPA is to be signed by the end of 2018. Thailand and Lao PDR have done multi-stakeholder processes and field assessments to develop their national TLAS, and recently completed the second round of formal negotiations with the EU. In Malaysia, TLAS is developed for Peninsular Malaysia and Sabah coupled with a strong national certification process. Myanmar is increasing national awareness of FLEGT through multi-stakeholder initiatives, while Cambodia and the Philippines are raising national awareness on timber legality and are engaging in regional dialogues.
- Initiatives to address illegal logging and trade by governments and private sector are well established. The ASEAN Strategic Plan of Action 2016-2025



for Co-operation in Forestry includes thrusts covering illegal logging actions, ASEAN common positions and cross-learning, while the ASEAN FLEG Work Plan 2016-2025 includes Action Programmes on strengthening FLEG implementation, facilitating trade of legal and sustainable timber, joint ASEAN approaches (mutual recognition of legal timber) and institutional strengthening / capacity building. Initiatives advanced by the private sector include voluntary forest certification, verification of legal timber, and green purchasing policies and sourcing programmes (Code of Conduct). Thus, it is important to share experience between initiatives, stakeholders, countries and regions.

This was followed by a presentation by the host country on Thailand VPA and legal reforms.

- There are 10 Annexes in the Thai VPA negotiations (Product Scope, Legality Definition, EU Import Procedures; FLEGT licensing procedures; TLAS Description; Supply Chain Controls; Independent Audit; TLAS evaluation; Joint Implementation Committee; and Transparency measures. Thus far, four annexes have been developed (Product Scope, Legality Definition, TLAS Description, and Supply Chain Controls).
- Thailand is now following a 20 year strategy that is divided into six aspects: Security, Increasing competitiveness, developing and strengthening human resources, creating opportunity and social equality, strengthening the life quality which is environmentally friendly, and balancing and developing the governmental management system. Thailand is also going through legal reforms on natural resource and environmental management. Reforms that are related to the FLEGT VPA include: land resources allocation, natural resources use, environmental management systems and information management/National Single Window.

Session 2: Communications

This session started with a presentation on the EFI EU-FLEGT Facility Communications Tools by the Communications Manager of the EU FLEGT and REDD Facilities.

- Participants were introduced to six communications tools:
 - www.euflegt.efi.int contains news, stories, briefings, factsheets, annual reports, information about VPA processes, official documents, background information and key country contacts.
 - www.flegtmedia.org provides background information, reporting tips and links to a range of resources for journalists reporting on FLEGT. The aim is to improve the quality and quantity of reporting on the EU FLEGT Action Plan.
 - www.vpaunpacked.org houses foundational content about VPAs including: What is a VPA, how VPA processes work, information about VPA stakeholders, how VPA texts are structured, and how VPAs promote good governance.
 - www.FLEGT.org is an interactive platform, maintained by the EU FLEGT Facility but with an independent identity and unrestricted



membership and use. It offers a free space to share information and knowledge on FLEGT.

- www.flegt.org/map-of-projects aims to support coordination among FLEGT projects; secondary audience is the international FLEGT community, including stakeholders in partner countries
- www.flegtlicence.org was created in 2016 in preparation for the start of FLEGT licensing in Indonesia and provides information to operators about FLEGT licensing

The presentations from session 1 and session 2 were followed by lively discussions with strong engagement from members of the audience. Some of the key discussion points were:

- The ASEAN Criteria and Indicators for Legality of Timber and related ASEAN reporting tools are too complicated for member states to understand and implement (challenges in filling out the required forms). It would be helpful if these documents are simplified so that member states can make use of them.
- The differences between FLEGT licensed timber and privately certified timber (FSC and PEFC). What are the commercial benefits of FLEGT licensed timber in comparison to FSC or PEFC certified timber? What are the market perceptions on FLEGT licensed timber, FSC or PEFC certified timber in Europe?
- Lessons learned from multi-sector coordination efforts by countries that have gone/ are going through VPA negotiations should be documented and shared.

Session 3: Update on ASEAN Developments

The afternoon started with a presentation on ASEAN Work Plan for Forest Law Enforcement and Governance (2016-2025) and the EU FLEGT Facility's support to ASEAN Cooperation on Forestry. Due to scheduling conflicts, the presentation on ASEAN FLEG Work Plan was done by the EU FLEGT Facility on behalf of the ASEAN Secretariat.

- The ASEAN Work Plan for FLEG (2016-2025) has four strategic thrusts and six action programmes. The four strategic thrusts are: enhancing sustainable forest management; enhancing trade facilitation, economic integration and market access; strengthening ASEAN's joint approaches on regional and international issues affecting the forestry sector; and institutional strengthening and human resources development. The six action programmes are: strengthened FLEG implementation, facilitation of legal and sustainable forest products trade, strengthened ASEAN coordinated actions in addressing FLEG issues, promotion and implementation of training programmes on FLEG, and enhancement of sharing experiences and lessons learned on FLEG implementation.
- Ways forward for FLEG for ASEAN include: enhance partnership with development partners, private sector and civil society; encourage private sector in marketing forest products that are legally sourced; promote dialogue with private sector in increasing the trade of forest products; develop manual, guidelines, handbook on good practices of FLEG implementation; develop



regional framework for mutual recognition of legality; promote and implement training programmes on FLEG; and support SmEs in enhancing their capacity to meet regional/ international trade requirements.

- ASEAN has an existing Framework Agreement on Mutual Recognition Arrangements (MRA 1988) and Guidelines on Accreditation and Conformity Assessment. The EU FLEGT Facility supported ASEAN's ambition towards a mutual recognition arrangement by contracting a study on "Feasibility of a Regional Mechanism for Mutual Recognition of Legality of Timber". The Facility proposed organising a technical workshop for the relevant expert from the ASEAN Consultative Committee on Standards and Quality (ACCSQ) to meet with ASEAN forestry experts and timber associations to understand the procedures and to agree on a stepwise approach to develop the MRA mechanism. However, decision to develop a MRA needs to be escalated by the ASEAN Secretariat to the Senior Officials Meeting of ASEAN on Forestry for the mandate to proceed.

This was followed by a presentation on the outcomes of a half-day Second CSO Meeting on FLEG in Southeast Asia preceding this workshop.

- Key messages from reporting on country progress:
 - CSOs have been involved at various technical working group levels in their respective countries
 - Multi-stakeholder consultation and involvement have been possible largely due to external funding support
 - CSOs' participation and advocacy have resulted in system improvements (e.g. monitoring of VPA implementation)
 - CSOs have been engaged in capacity building, trainings on different aspects of the VPA process and FLEGT in general
 - Some research and pilot activities have been conducted in some countries
- Challenges faced by CSOs:
 - Lack of capacity and technical knowledge to effectively involve in the VPA process
 - VPAs are a long and complex process, and most CSOs do not have the resources (time, people and fund) to engage in such a process
 - No articles in the legal frameworks on the roles of CSOs participation in the VPA process or other multi-stakeholder consultation process in some countries
- CSOs expressed interest in having a **Non-State Regional Working Group on FLEGT** to serve the following purposes:
 - Platform for members to provide updates on the FLEGT status in their countries
 - Mechanism to increase CSO representation in country and at regional level
 - Opportunity to build collective action and strengthen effective engagement of CSOs in VPA processes



- However, key concerns regarding the effective and efficient operation of this non-state Regional Technical Working Group include:
 - FLEGT is a complex process and takes time and resources that CSOs might not have at their disposal
 - Funding that CSOs received might not have FLEGT as a main work programme
 - Need supports to set up the administrative arrangement of the group

This was followed by a presentation on the Regional Voluntary Code of Conduct on Imports for Forest and Timber Companies in ASEAN by the EU FLEGT Facility.

- This activity is under the Strategic Thrust 2 of the ASEAN Work Plan for FLEG. The EU FLEGT Facility had planned to work with the ASEAN Forest Products Industry Council (AFPIC) on a draft Code of Conduct for Timber Imports. However, the AFPIC has been inactive for a few years and needs to be formally revived before receiving such a task. It should be noted that examples of such Code of Conducts include the China National Forest Products Industry Association Standard and the Vietnamese Handicraft and Wood Industry Association of Ho Chi Minh City.
- Some of the possible elements of a Regional Code of Conduct for timber imports:
 - Companies must carry out due diligence to collect information on legality of harvest from suppliers, conduct risk assessment and implement risk mitigation
 - Companies should possess original or copy of documents to prove country of harvest, customs clearance documents for exit from exporter's country and entry into importer's country
 - Companies should obtain appropriate certificates for timber species listed in the appendices of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)
 - Companies will obtain sufficient information from their suppliers for effective verification of country of harvest and legality risk assessment.

After the presentations, clarification questions/ comments in this session focused on:

- The roles of CSOs before and after the start of FLEGT licencing
- Challenges for small holders/ SmEs to comply with requirements under the VPA, private certifications and other requirements from markets such as Australia, China and Japan

Reporting on Country Progress

Countries took turns to report on their country progress. Indonesia shared experiences on the implementation of SVLK. Vietnam and Lao PDR shared updates on VPA implementation and negotiations. While pending continuation of VPA negotiation, Malaysia reported on the implementation of their Timber Legality Assurance System (MYTLAS) for Peninsular Malaysia, which started on 1 February 2013. Finally, Myanmar and Cambodia shared their individual country's progress in developing a credible timber legality assurance system. Cambodia reported that its Ministry of Agriculture, Forestry and Fisheries has accepted the concept note prepared by the



FAO-EU FLEGT Programme on a FLEGT start-up approach for Cambodia. FAO is coordinating with Cambodia to implement the concept note. There was no representative from the Philippines to report on the country progress.

The presentations were followed by discussions with strong engagement from the audience.

- Each of the ASEAN MS is different and has issues unique to their countries. Additional to issues they need to address as part of the VPA process, AMS are working towards finding solutions on issues related to timber legality, import controls, and topics related to the VPA process even if they are yet to be engaged in a formal VPA process.
- A number of key documents to demonstrate legality and development of such system in AMS are already in place. What is lacking is the information dissemination among the AMS and other key markets such as China. Participants highlighted the importance of informing neighbouring countries at least on the minimum requirements to prove legality and the acknowledgement of export bans and other restrictions between AMS. This can partly be done through existing bilateral agreements.
- Having the TLA workshop under the ASEAN umbrella is important. Though it has its challenges due to the need to obtain an ASEAN mandate, it provides an effective platform to the formal ASEAN structure. Participants agreed that the TLA workshop is one of the most meaningful regional multi-stakeholder forums recognized by ASEAN to date. The regional CSO meeting that preceded the workshop does not have to go through ASEAN procedures given that it is informal. A formal recognition however could be explored.
- The idea of developing ASEAN regional timber import control standards was noted by the participants and follow-up with the ASEAN forest structure recommended.
- Small and micro entities (SmEs) are important players in VPA processes, but the main challenge is how to promote these entities to be legal in the value chain. Other challenges or areas of support for SmEs include: simplified supply chain controls and chain of custody for SmEs and local communities; self-declaration instead of third-party verification; and scale-sensitive legal requirements such as in the field of operational health and safety. Pilot work needed to link CSOs and small scale private sectors, not only within the country but also to upscale it to sub-regional level. EFI / EU FLEGT Facility could help organize such a platform for SmE/ CSOs and trade operators. There is a need to cooperate with large-scale companies for help with their business planning and for funding for small holders. Examples already exist in some ASEAN countries where large-scale operators sub-contract micro-scale operators such as in Vietnam.
- Coordinating with CSOs and discussing sensitive issues with them enables communication to the broader ASEAN CSO community. CSOs are crucial third party advocates in designing and promoting legal timber. As AMS are at



different stages of the FLEGT process, sharing of experience at the regional level contributes to the regional FLEG(T) agenda. Participants suggested rebranding the TLA workshop as the multi-stakeholder dialogue on FLEGT.

- Legal reforms triggered by discussions around FLEGT require in-country processes and occasionally court rulings. Sometimes changes in governments can cause disruptions to the process, such as general/ national election.
- VPA agreements with the EU are not “cast in stone”. There are ways to adjust in particular the technical VPA annexes as the implementation process progresses. Two VPA countries have already done this.
- In general, TLA is considered a part of sustainable forest management implemented in AMS and to the extent that sustainable forest management is a part of REDD+ and Nationally Determined Contributions (NDCs) implementation. In short, TLAs should be linked to REDD+ and NDCs. However, the direct linkages are not close and specific dialogues between TLA developers and REDD+ programmes/ NDC implementers are uncommon.
- Some of the key suggestions from participants included:
 - Enhance bilateral and regional cooperation on legal trade, synergies and complementarity and amongst institutions working in the region
 - Reduce unnecessary bureaucratic conditions
 - Improve performance of existing regional and multi-lateral initiatives and processes under the FLEGT framework in the region
 - Capture the opportunity of VPAs from a technical, financial, marketing and organizational support perspective and a friendly legal environment
 - Enhance inclusiveness of all stakeholders including private sector and academia and having in place a good knowledge management system
 - Strengthen FLEGT VPAs visibility through effective communications
 - Prove that FLEGT makes a difference, not only in producing countries but also that it provides positive impacts on environmental and social safeguards, inclusiveness, transparency, and reduces environmental degradation
 - Mainstream gender equality into the legal framework
 - Make linkages between FLEGT and REDD+ and allocate additional resources for capacity-building and awareness raising on these linkages
 - Raise awareness of the contribution of TLA to sustainability and reducing deforestation through dialogues with the private sector
 - Organize further TLA workshops/ multi-stakeholder dialogues on FLEGT



DAY 2

Session 4: Future Regional FLEGT Work

The morning started with a presentation by a representative from the Chinese Academy of Forestry (CAF) on timber legality developments and preliminary findings from the study on the potential recognition of Indonesian FLEGT timber in China.

- In 2009, the Guideline on Sustainable Overseas Forest Management and Utilization by Chinese Enterprises was jointly issued by the State Forestry Administration and the Ministry of Commerce. While voluntary, the Guideline aims at encouraging the industry to consider social and environmental aspects in their operations and comply with local laws and regulations. The Guideline was used in training workshops in Russia, Guyana, Gabon and Mozambique, where more than 60 Chinese overseas companies (from state-owned enterprises to private enterprises) attended.
- Country-specific manuals were developed for Myanmar, Mozambique, Russia, Guyana and Peru to support the implementation of the Guideline by Chinese enterprises.
- A Steering Committee was set up to develop the Chinese Timber Legality Verification System with representatives from the Ministry of Commerce, Customs, the Chinese State Forestry Administration and other relevant bodies. The CTLVS is based on the concept of Due Diligence. It has undergone seven revisions and has an operational set of guidelines, management procedures, auditing guidelines, due diligence guideline and measures on label management.
- Existing conditions for the recognition of V-Legal Documents from Indonesia in China include: the 2002 MOU on Combatting Illegal Logging and Associated Trade with Indonesia; Chinese government guidance on overseas enterprises; improved awareness of Chinese companies; technical exchanges on timber legality between Indonesia and China through the BCM; and standard developed by association on timber legality. However, conditions that are still lacking for the recognition of V-Legal Documents in China are: absence of bilateral working mechanisms between Indonesia and China; no policy basis on timber legality; and CTLVS is still under testing.
- The short-term options for the recognition of Indonesia V-Legal Documents could be: companies recognize V-Legal in their DDS; certification bodies use V-Legal as proof of legality; and associations recognize V-Legal as proof of legality.
- China suggested that for Regional Timber Legality Cooperation AMS should improve communication and information sharing; develop regional legality standard and criteria; seek mutual recognition of timber legality systems; build a platform to match demand and supply of legal timber; promote cooperation on law enforcement; and explore new technology for supply chain management such as Blockchain.

This was followed by a presentation on the preliminary findings for the identification and formulation of a new regional ASEAN FLEGT support programme by an EU Consultant.



To enhance and consolidate regional cooperation on trade of legal and sustainable wood in the FLEGT framework in VPA and non-VPA countries in the Asian region, the consultant proposed the following programmes of support:

- Policy dialogues and consultations to address changes towards better forestry governance in ASEAN MS, in better coordination with other development partners' programmes
- Development and improvement of forest management systems at national and sub-national levels
- Development of FMU/jurisdictional approach on a joint unit of TLAS/SFM and REDD+, in better coordination to other development partners' programmes
- Regional dialogues that promote FLEGT processes and climate change (REDD+)
- Development of frameworks for strengthening forest laws/ policies and governance for the ASEAN MS
- Development of a regional mechanism for mutual recognition of legality of timber
- Knowledge sharing on legal and sustainable timber sources at regional level
- Synergies between legal timber trade and development of National Single Windows
- Efforts of the Government in enhancing the inclusiveness of stakeholders in forestry
- Development of knowledge management among stakeholders
- Information dissemination to stakeholders on FLEGT progress and performance
- Communication and networking among SmEs in the region
- Capacity building of SmEs in terms of accessibility to financial institutions, SmE business management, and shared learning
- Provision of incentive-based policies for better performance of wood-based industry

The presentations were then followed by a panel discussion:

- Participants were encouraged to continue conversations with CAF to understand more about requirements from China and to share information from their countries.
- The EU consultant was asked to give priority to the list of support programmes that he identified. Participants were also encouraged to have conversations directly with the consultant to provide their feedback/ comments on the proposed programmes.
- Participants highlighted the importance of linking FLEGT, REDD+ and broadly sustainable forest management at the sub-national level in AMS.

Session 5: Towards Improved Private Sector Cooperation

The FLEGT Facility with the SmE consultants presented situation analysis, compliance issues and market access for Small and Micro Forest Entities (SmEs) in the Mekong Region.



- Findings/ challenges for SmEs in Lao PDR, Thailand, Vietnam and Myanmar included:
 - Formalisation of informal SmE sectors to lower risks in supply chains
 - Consideration of specific timber sources, e.g. reclaimed wood, scattered trees, rescued timber and its associated legality evidences/ ownership of trees in LD
 - Gender equality related legal frame works mostly exist, but recognition in everyday life needs to be improved.
 - Compliance with OHS and environmental regulations
 - Informal status and labour regulations
 - Access to affordable legal raw material (plantation timber?)
 - Land tenure and forest use issues incl. harvesting rights
 - Meeting existing factory and production standards
 - Need for scale sensitive labour and environmental requirements and Chain of Custody system for SmEs
 - Awards of village/community forest management rights including timber use

Session 6: Exploring Specific Topic of Timber Legality Assurance

In the late morning and afternoon sessions, the participants self-selected themselves to join four working groups to discuss a series of questions. A representative from each group was nominated to present results from their discussions and recommendations to the plenary in the afternoon session.

- **Group 1: Small, Micro and Informal Enterprises**
- **Group 2: Timber Imports and Recognition**
- **Group 3: FLEGT and Forest Conversion**
- **Group 4: Multi-stakeholder Dialogue**

Results of Group 1: Small, Micro and Informal Enterprises

- How to approach and deal with a large volume of informal sectors?
 - Group formation to facilitate organizational structure through incentives (to reduce temporarily tax or access to loans)
 - SmE working group in countries and try to engage private sector
 - CSOs/NGOs as the most important stakeholder and facilitator
 - Government to provide friendly legal environment and support dissemination
 - Information and experience exchange among provinces, countries
 - EU to raise SmE issues to partner countries during VPA negotiations
- How to assure access to legal raw materials?
 - Promotion of materials based low-risk species, types and sources for SmEs (domestic market, role of traders)
 - Vertical integration to facilitate access to timber (community forest, small holder groups)
 - Establishment of an information base for SmEs to source legal timber
- How to improve their competitiveness?
 - Horizontal and vertical collaboration



- Participation in exhibitions, visits of model companies
- Incentives, capacity building provided through NGOs, international development organization, private sector and government support programmes
- Development of high value added products, design through research (e.g. handicrafts) combined with marketing support
- How can gender equality find broader attention in SmE sector?
 - Gender analysis within SmE groups => identification of opportunities => Gender capacity building based on capacity needs assessment
 - Communication strategy
 - From EU side => gender component in discussion

Results of Group 2: Timber Imports and Recognition

Group 2 had a very productive and lively discussion comparing regulations and procedures for timber import controls in each ASEAN member state. The group consisted of government representatives, timber associations, and civil society in ASEAN, except Brunei, the Philippines and Singapore. China also participated. Group results are presented in Annex 1.

The group identified that in all ASEAN member states mandatory control of timber imports exists. Some countries have fully designed systems (Indonesia, Vietnam, Peninsular Malaysia) that in particular describe due diligence by importers, while others discuss the development of such systems (Thailand, Laos) or at least have systems in place that allow for a check of required import documents by customs / forest authority. The group realized that a lack of understanding of its neighbour country's regulations exists and recommended exploring whether documents expressing timber legality in ASEAN member states could be uploaded on the ASEAN Trade Repository for information exchange.

The main lesson from this group discussion was that ASEAN MS need to better communicate existing timber legality and import requirements with each other as well as with key markets such as China, and that there is more in place than "the market knows".

Results of Group 3: FLEGT and Forest Conversion

- What is the extent of forest clearance/ conversion/ deforestation? What is the volume of timber from forest clearance/ conversion/ deforestation?
 - There are various conditions among countries. We need to study timber from conversion areas.
 - Conversion is significant for Laos/ Cambodia/ Indonesia, while it is less for Myanmar/ Philippines/ Vietnam. Malaysia stated no conversion in Peninsular Malaysia and Sabah.
- How is the legality of timber from forest conversion areas verified in national TLA?
 - There are different levels among countries: some check for document and field by government; while some are checked by third party



- In your opinion, are TLA procedures effective in preventing timber from illegally converted forest areas from entering the supply chain?
 - There are variation among countries: some countries have competent authorities that are more effective on the role of TLA; some countries need support from the independent monitoring. Without Independent Monitoring, it is difficult to assess.
- What are the linkages between TLA and the national REDD+ or NDC process?
 - TLAS is part of SFM, while SFM is also part of REDD+ and NDC
- How could the EU and/or ASEAN contribute to efforts to strengthen legal compliance regarding timber production in forest conversion areas and associated efforts to reduce deforestation and emissions resulting from forest risk commodity production?
 - Branding is a good practice (FSC, PEFC). Buyers need to be educated
 - Additional procedures should be included in TLAS
 - Design for monitoring that is transparent and inclusive
 - Investigation body for ensuring evidence of legality
 - Incentives provided by EU, e.g. access
 - Same implementation of EU TR law enforcement of EU member countries

Results of Group 4: Multi-stakeholder Dialogue, the group agreed that

- A Regional Multi-Stakeholder forum is important. The forum should include the Private Sector, CSOs and Governments. The Multi-Stakeholder forum can act as an important platform for stakeholders to learn from each other. The present TLA workshop can be the platform for the Multi-Stakeholder forum
- Suggested to change the TLA workshop to a TLA Multi-Stakeholder Dialogue
 - The dialogue will allow for more interaction on issues between non-state actors and state actors
 - The focus will initially be on FLEGT VPAs but in the future can be expanded to include REDD+
 - Create a mandate with expected outputs and ground rules for the Multi-Stakeholder Dialogue
 - Identify key themes each year for the Multi-Stakeholder dialogue
 - CSOs as far as possible should also represent the interests of SmEs
 - Invite consumer countries to increase dialogue
- Challenges identified by the group included:
 - Limitation of current funding
 - ASEAN coordination: there is the need to coordinate with ASEAN every year for the approval of a TLA workshop which is time consuming



DAY 3. Field Visit to Mae Tha Community

The workshop was concluded on day 3 with a visit to the Mae Tha Community, arranged by the Royal Forest Department. Three representatives from the community (Mr. Kanoksak Duangkaewreun, Chief of the Mae Tha Sub-district; Mr. Sawas Sukchan, Director of the Mae Tha Sub-district; and Mr. Uthai Puangvak, Head of the Mae Tha Village Committee) briefed the participants on their experiences with forest management in the Mae Tha Community. Representatives from the community explained the changes in land use policy from public land to a communal lease (Khor Thor Chor). Implementation of the Khor Thor Chor policy started with the current military government. Under this policy, a group of local people is given collective land rights and is allowed to use the forested land for 20 years.



Under the communal ownership policy, community members are not permitted to sell the land, but they can pass the collective rights onto their family members as inheritance. Representatives from the community reported that trees planted within the communal areas (almost all teak) were not allowed to be cut. However, representative from the RFD stated that **if rules are followed**, local communities are now allowed to cut the trees within these communal areas following Thailand's new land allocation and use policies. Participant asked if community members have experimented with planting other tree species since teak is restricted in use. Community representatives responded that they do not have any experience growing non-teak species. Community representatives concluded their information sharing by stating that the success of their community depends largely on the government supports.



Workshop Evaluation

Before closing the workshop, there was a session after the field visit where participants were openly invited to provide feedbacks on the workshop. Comments from FAO, RECOFT and participants from Cambodia, China, Indonesia, Laos and Vietnam were very positive. Participants expressed their heartfelt gratitude to the Thai government, the organizers and the Mae Tha community for hosting a very successful and useful workshop.

After the workshop, a survey was sent to participants along with a draft Summary Report for their comments. Similar to the open feedback, results from the survey were very positive regarding the workshop content, design and results. An area for improvement suggested by participants in the survey was that the organizers should ensure that field visits fully reflect the workshop's objectives. However, participants agreed that field visit should remain as a part of the workshop. According to the survey results, 80 percent of the participants agreed that the workshop's content was relevant to their work and that they will be able to use what they learned from the workshop in their work.

For example, a participant wrote, *"I think it is good to involve China in the workshop. The workshop provides most updated information about the regional development on timber legality management, which I feel is quite useful. I learned about the progresses and challenges of ASEAN countries on their VPA processes. Accurate and timely information is very important for my work. In this workshop, I get a lot of information on the measures ASEAN countries are taking or are intending to take to strengthen their forest governance that I have never learned in detail through deskwork, as some of the policies are still under internal discussion or just implemented in small scale. These changes in the region are exactly what China should pay attention to so that China could adjust and make policies to meet both domestic and international development demands. Meanwhile the ASEAN countries also show strong interests in China's potential requirements on timber legality and guidance on overseas forest enterprises. The workshop provides rare opportunities for China and ASEAN countries on information sharing and technical dialogue."* Finally, one participant requested in the survey that other VPA countries such as those in Africa should be invited to the next TLA workshop to share their experiences, if possible.

Conclusion

The success of the workshop is attributable to the informative presentations by resource persons and country representatives, the active participation and good and open exchanges, the conduct and structure of the workshop and the generous hospitality of the host government. Participants conveyed their appreciation to the sponsors of the workshop, the workshop facilitators, the contributions of the resource persons, and the excellent logistical arrangements made by the hosts. The workshop was held in the traditional ASEAN spirit of cooperation and solidarity. Outcomes will be forwarded to ASEAN.



Annex 1: Result from Group Discussion on Timber Imports Control and Recognition in ASEAN

Question 1: Comparison of Timber Imports Control and Recognition in ASEAN

Element/ Country	Indonesia	Vietnam	Thailand	Laos	Malaysia- Peninsula	Myanmar	Cambodia
Products covered	Same coverage as VPA product list, broad product scope CITES	Same as VPA CITES	Broad, discussion ongoing Same as VPA CITES	Discussion ongoing Logs, semi/processed timber CITES	Logs, sawn timber, plywood / mandatory Required docs from other countries for other products CITES	Not defined yet, but currently ban native species to be imported to Myanmar Legal definition is being discussed Discussion on import timbers CITES	Cambodian list CITES UN-RED List
Definition of legal or illegal timber import	Laws of the country of harvest. More detailed definition is developing	Legally imported timber – means timber products harvested, imported is in line with	Currently: no strict definition, but if there is no certificate of origin, it should not be allowed into Thailand	Definition is under discussion But required documents for prove of legality	Timber is legal when timber and timber products have been produced and exported according to	No definition on import yet But Myanmar checks documents on legality for	Imports – need legal documents from export countries, certificate of origin, and



		countries of harvest laws	Pay attention to bans in neighbour countries		the laws of the supplying countries	imported timber by trade, custom and forest department	other supporting documents
Regulated parties	All economic operators dealing with imports of timber	Operators/ importers	Operators/ importers	Operators	All importers	All operators	Importers
Voluntary/ mandatory	Mandatory, was introduced prior to start of FLEGT Licensing	Mandatory - Effective with FLEGT Licensing start	New DD system shall become mandatory (but not enforced yet)	Mandatory But still under development for FLEGT	Mandatory	Mandatory But still need further development	Mandatory
Task of the regulated party	Collect documents/evidence, be compliant with due diligence requirements, DD is conducted prior to import	Collect documents/evidence, carry out due diligence, prior to import	Currently still designing DD system (will be effective later), DD prior to import Current system: collect customs documents	Required from operators are documents expressing timber legality before issuing import license	Conduct DDS before import by submitting required documents	Import license and recommendation from forest department on species before custom clearance	Submit required documents to forest administration on timber legality (Country of Origin, export license from



			(certificate of origin, but insufficient proof of legality)				export country) before custom clearance
Checks on operators	Third party check on operator's DD implementation post import – systematic (all operators) and mandatory	Custom office with relevant government agencies such as forest department pre-import	Currently: no third party check, but custom conducts check on products and forward documents to relevant agencies like the RFD. More intensive check under discussion	Custom office when timber is imported to issue import license When timber is at operator's site, Forest Department and MoIC conduct another check	Custom and MTIB prior and post import Prior – check all documents	Custom and forest department when timber arrive at border Timber movement need forest department permit	Custom (at check point) and forest administration (at entry point and at factory) before and after import
Penalties for non-compliance	Losing the SVLK certificate – not able to operate in a legal supply chain anymore	Proportionate with the cases (e.g. fines, license revoked)	Proportionate with the cases (e.g. fines, seizure of goods, jail) – already in place	Same with Thailand and Vietnam	No penalties for the operators but timber is stopped	Blacklisted for importers, no more imports	Same as Thailand



Government Guidance	Implementation guideline, mandatory to be followed by operators, but need for capacity building of certification bodies (post import control is a new task)	Developing decree and directives (guidance, template) for FLEGT, effective from 2019	No formal decree, in the process of designing DDS, may create guidance such as standard form – first draft exists building on VN	Forestry law (under revision) will contain articles on import	Guidance, director general circular by MTIB Conduct compliance audit	Trade Portal website, explains procedures and guideline on the website Plantation timber log export notification – under discussion	Guideline uploaded on the forest administration website
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Question 2: What are the biggest challenges in implementing the system and how are they overcome?

Challenges	Solutions
Checking the documents submitted by the operators as authentic	ASEAN authorized economic operators, but progress from countries vary in terms of information submitted
Not knowing the required documents in some countries/ trading partners (e.g. required certificate of origin)	Regulations keep updating, maybe ASEAN Trade Repository to compile these legal documents, but depends on member countries to update the information
Checking if the operators are legally listed/ registered in the exporting countries	Information sharing such as custom information between imports and export countries – national single window, but depends on country to share those information



	Learn from Kimberly process for diamond as a way to cross-check information
Law enforcement needs coordination from various government departments/ ministries to do inspection on the import timber	Develop manual for operators to understand requirements in the exporting countries as legal proofs Joint inspection by relevant authorities
Competent authorities follow existing regulations, but some regulations do not exist yet (e.g. DDS)	Discussions among government ministries to develop such regulations to guide the operation Identification of competent authorities and their linkage to custom operation Identifying legal frameworks that need to be developed
Capacity building and guidance for operators	Work on template for operators to follow
Country negotiating VPA, additional guidance needs to be developed – e.g. identifying high and low risk for species and geographical areas, complying with new regulations Assessing the roles of certification credible for TLAS	
Government capacity to implement new regulations – e.g. checking import request	Understand the structure and magnitude of import



Capacity for operators on import requirements prior to implementation of VPA – strict implementation impacting on operators in terms of quantity of timber allowed for import	Digitized documents to system and declaring DD online, operators have access to this system
Transit timber trade – information can easily be lost	Need requirement for traceability for all specifically for transit timbers

Question3: How can ASEAN MS work together to better document and transfer information on timber legality?

- At ASEAN level
 - ASEAN Authorized Economic Operators
 - ASEAN Trade Repository
 - ASEAN-China Center based in Guangxi
 - ASEAN Single Window Service
 - ASEAN should develop guideline on legal timber, requires countries to provide information on timber requirements (species description, forms, geographic locations, etc.)
- Through bilateral cooperation
 - Lao-Vietnam MoU on forest protection, forest law enforcement and illegal trading of forest products (forest protection and forest inspection department),
 - Cambodia-Vietnam MoU (forest administrations of the 2 countries) on protection for legal trade across borders (ministry of industry and trade and commerce), protection on forest fires – no detail on legal timber, but detail on the document requirements.
 - China-Indonesia MoU on combating illegal logging and associated trade
 - Vietnam to consider export bans from neighbouring countries, but need information sharing
 - MoUs are ambitions, policy tools, but need implementation arrangements
- At multi-lateral level



- APEC expert group on combating illegal logging and associated trade, annual meeting at APEC

Question4: Do you think it would be beneficial if an ASEAN regional standard for import control is developed? If so, who should move this forward?

- ASEAN already has so many Working Groups, maybe this topic is already addressed in one of the working group? Thus, one needs to identify where import control can be integrated into one of the existing Groups
- Mechanisms exist (not on legal timber) for ASEAN, but implementation is not always up to date
- ASEAN Member States is at different phase, having a common standard might be challenging for some
- There are existing mechanisms – NEPcon, WCMC-UNEP, South Korea and Australia with country specific guidelines – main challenge is keeping them up to date, due mainly to donor funding
- Mechanism for lesson learn/ experience sharing is limited for ASEAN structure, maybe this needs to be addressed. E.g., lessons from Indonesia can be shared to AMS, to accelerate FLEGT progress in other AMS.