

# Regional Voluntary Code of Conduct on imports for forest & timber companies in ASEAN

6th Sub-regional Training Workshop  
on Timber Legality Assurance, 3-5  
July 2018, Chiang Mai, Thailand



# FLEGT Action Plan – 7 areas

1. FLEGT integrated in development cooperation
2. Bilateral trade agreements (VPAs)
3. New legislation (EUTR)
4. Public procurement policies
5. **Private sector initiatives**
6. Financing and investment safeguards
7. (Address conflict timber)



Codes of Conduct exist to guide business practices and demonstrate corporate responsibility.

## Timber Industry Codes of Conduct

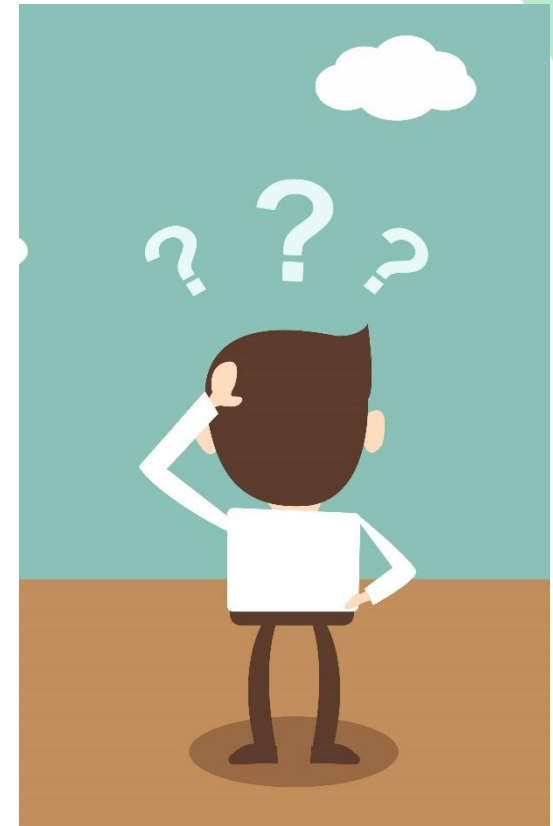
Timber associations in timber importing countries such as the United Kingdom, Australia, the United States, The Netherlands and France have produced and adopted guidelines to ensure responsible practices.



- Almost all the members of the **E**uropean Timber Trade Federation (ETTF) have codes on responsible timber sourcing.
- Using the Netherlands Timber Trade Association (NTTA) Code of Conduct as an example, all NTTA members who endorse the code are legally bound to observe it and violations can result in sanctions.
- Today, adherence to such Codes is seen by many as necessary for the timber sector in Europe to comply with the EU Timber Regulation (EU TR) that became applicable in March 2013.

- This activity comes under the Work Plan for FLEG in ASEAN under Strategic Trust 2 *“To develop a voluntary code of conduct for companies involved in the forestry sector to conduct their businesses lawfully and comply with all relevant legislation, and include it in their corporate social responsibility.”*.
- The draft voluntary code is to be considered for adoption by the ASEAN Working Group on Forest Products Development

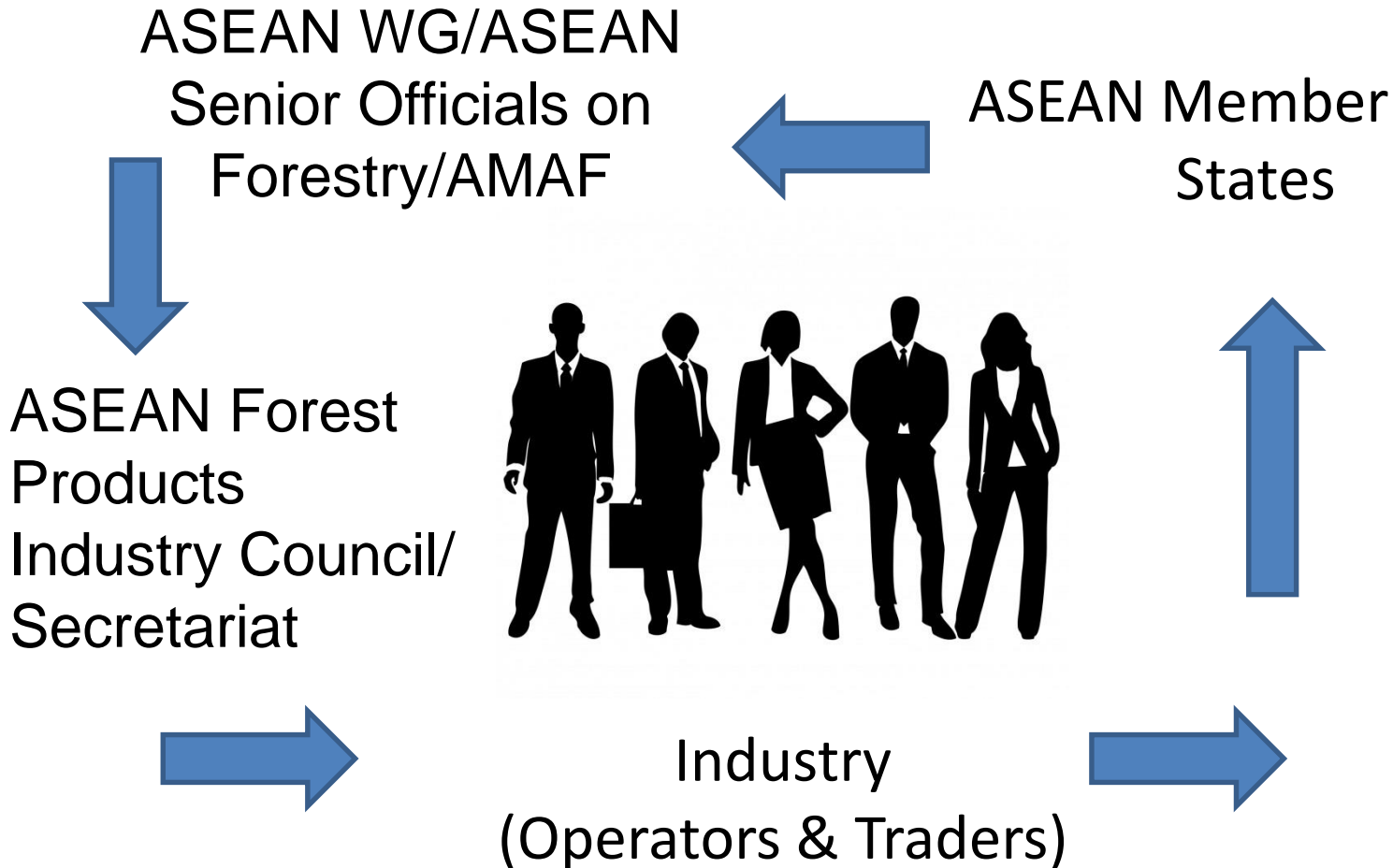
As import controls will likely become an intrinsic part of any VPA with the EU, the Facility feels the code should on the aspect of legality of imports



- ✓ The Facility had planned to work with the ASEAN Forest Products Industry Council (AFPIC) on a draft Code of Conduct for Timber Imports.
- ✓ But AFPIC has been inactive for a few year.
- ✓ New AFPIC Focal Points need to be nominated so that AFPIC has a clear mandate.



# Who is involved?



# Examples from the Asian region



## **China National Forest Products Industry Association Standard (Timber Legality Verification in China) -2017**

- Voluntary
- Specifies that companies must ensure verification of legality of imported timber.
- Onus on companies to obtain information on legality from suppliers, conduct risk assessment and risk mitigation, if necessary, and that these steps be documented.
- No sustainability component.
- No mention of FSC/PEFC certified timber or EUTR/FLEGT.
- No complaint or sanction system

# HAWA Members Code of Conduct

Members of the Handicraft and Wood Industry  
Association of Ho Chi Minh City, Vietnam:

***“No member of HAWA shall be involved in harvesting, processing or trading illegal timbers in any markets, including in the domestic market. All the timber processed in HAWA members’ factories must be from legal sources in compliance with Vietnamese laws and suitable with international practices”***

HAWA shall facilitate members to study and access legal timber sources; guide procedures to identify legal sources.



- The Secretary-General of the Vietnam Association of Wood and Forest Products (VIFORES) was reported as saying that to comply with the VPA signed with the EU in future, high-risk wood sources, including some imported sources may have to be rejected as they would not meet the legality requirements.
- The Vietnam VPA has a detailed description on import controls. For this reason, Vietnam will be invited to the AFPIC workshop to share the country's experience in coming up with the import controls.

# Some 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 & Flora (CITES).
- Companies will obtain sufficient information from their suppliers for effective verification of country of harvest and legality risk assessment.

Thank you

[aimi.lee@efi.int](mailto:aimi.lee@efi.int)

