



WORKSHOP SUMMARY

3rd Sub-Regional Training Workshop on Timber Legality Assurance

22 - 24 April 2013, Kuala Lumpur, Malaysia

A three-day training workshop on timber legality assurance was co-organised by the ASEAN Secretariat and the European Forest Institute's EU FLEGT Facility in Kuala Lumpur, Malaysia, supported by the Ministry of Natural Resources and Environment Malaysia and the Forestry Department of Peninsular Malaysia. More than 70 participants from eight ASEAN Member States (ASEAN MS) and the European Union (EU) attended the workshop. Resource persons came from Indonesia, Malaysia, Ghana, the Food and Agriculture Organisation of the United Nations (FAO) and the European Forest Institute (EFI). The meeting aimed to enhance capacity, exchange experiences and increase collaboration among agencies and stakeholders in Southeast Asia on timber legality.

In response to the global concern on illegal logging and its associated trade, ASEAN MS have committed themselves to develop national standards on timber legality, while consumer markets such as the EU, the US and Australia have developed policies to keep illegal timber from entering their markets. Five ASEAN MS (Indonesia, Lao PDR, Malaysia, Thailand and Vietnam) are engaged in negotiations or close to starting negotiations of FLEGT Voluntary Partnership Agreements (VPAs) with the EU. VPAs are trade agreements between the EU and timber producing countries aimed at halting illegal logging and its associated trade by supporting governance and law enforcement in partnering countries.

At ASEAN level, the Member States adopted in November 2009 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 promoting the development of credible systems for the verification of timber legality at national level, and directly linked to the development of Timber Legality Assurance Systems (TLAS) under the VPAs. It is within this context that the third sub-regional Training Workshop on Timber Legality Assurance was convened with the following objectives:

- Enhance the capacity of ASEAN MS, in particular the Mekong countries, to develop and implement TLAS based on the ASEAN framework and FLEGT VPA initiatives;
- Exchange practical experience on VPAs and timber legality assurance within ASEAN, in particular concerning stakeholder involvement, imports and licensing;
- Exchange lessons learned among African and Asian VPA countries;
- Increase collaboration among customs and enforcement agencies within ASEAN and discuss and elaborate further steps for regional coordination.



During the workshop, presentations were made by resource persons and representatives of the eight participating ASEAN MS and Ghana. The workshop started with presentations from EFI resource persons, giving updates on international activities to promote timber legality, good governance and lessons learned about TLAS development under VPAs. This was followed by a presentation from Indonesia explaining the role of civil society stakeholders in TLAS development and implementation. FAO's regional office in Bangkok provided an update on its new programme supporting FLEGT processes.

Ghana, Malaysia, Vietnam, Laos and Thailand shared updates and lessons learned on VPA preparations, negotiations and implementation. The updates from the country representations showed a number of similarities, including:

- a strong commitment to their VPA processes;
- a common understanding that VPAs would have to build upon existing national legislation and timber tracking systems;
- a preference by the countries to be in the driver's seat and not to have the process driven by outsiders/consultants;
- the general will to address the new requirements of the EU market on legality and the subsequent need to define timber legality and to improve existing control and verification systems;
- an openness to greater transparency as well as more engagement of all stakeholder groups in national and regional processes.

The presentations were followed by lively discussions with strong interaction from members of the audience.

The workshop continued on the second day with updates from Cambodia, Myanmar and the Philippines. The countries highlighted their internal discussions on timber legality, and that the topic is already anchored in national planning (Cambodia) or newly promoted by the government and private sector players (Myanmar, the Philippines). All countries raised the need for an increased exchange on approaches and solutions identified in South East Asia.

These presentations were followed by an update on the ASEAN Timber Trade, Customs and Timber Legality Scoping Study, which is currently being undertaken by an EFI consultant. The presentation highlighted ongoing work by ASEAN MS concerning trade integration, including work on an ASEAN single market and national single customs windows, as well as the importance of linking this work to trade in timber and timber products.

The participants then separated into four working groups to address the following topics:

- Group 1: TLAS development – what to include and how to describe verification, control and licensing procedures?



- Group 2: TLAS and imports – how to ensure that imports do not undermine the credibility of the VPA?
- Group 3: Stakeholders and communication – how to secure stakeholder support and address communication challenges related to illegal logging?
- Group 4: The role of customs collaboration in timber legality assurance.

The groups discussed these topics in detail and later presented the results of discussions and their recommendations to the workshop in plenum.

The main results were as follows:

- Group 1: TLAS development
 - All sources of timber need to be covered when developing a TLAS, including imports.
 - Timber legality goes beyond timber and timber movements and includes all steps leading to a legal right to harvest as well as social and environmental aspects.
 - A multi-stakeholder process is needed to ensure the credibility of the TLAS.
 - There is a need for a country specific approach (one size does not fit all).
 - Action plans to structure the TLAS work have helped to organize this work.
 - TLAS descriptions should aim at practical, realistic and implementable solutions.
- Group 2: Imports into VPA countries
 - The EU Timber Regulation establishes the requirements for timber imports into the EU. These requirements are relevant for exports by all ASEAN MS, whether their products are made from domestic or imported timber.
 - Imports into VPA countries pose a credibility problem for the VPAs if not regulated in the VPA agreement, as the EU Timber Regulation recognizes FLEGT licensed timber as acceptable proof of legality.
 - Different documentation is used by ASEAN MS to demonstrate legal origin of timber, including a broad variety of generic documents, country specific solutions, voluntary verification and certification, and measures that are under discussion in VPA negotiations.
 - Many of these documents are only used at the national level, whereas some appear relevant for use internationally when they are useful for informing the importing country/business about the legality of the timber at source.
 - While governments and customs can play a role in ensuring legality of imports and exports, timber associations and non-governmental organizations can also have a role to play in promoting responsible sourcing practices.
 - A strong focus should be given to information exchange involving ASEAN platforms on forestry, trade and customs, and enhancing the understanding of how timber legality is demonstrated under existing national systems.
 - Further capacity building is needed to address this issue on national and regional levels.
- Group 3: Stakeholder support and communication challenges



- Stakeholder engagement should take place throughout the entire VPA/TLAS development process.
 - Stakeholders should have sufficient access to information.
 - A wide range of stakeholders should be involved in the process.
 - Non-governmental stakeholders should not be appointed by the government – their participation should be based on self-selection.
 - Creating a relationship of trust between stakeholders is important.
 - The use of existing networks and platforms is recommended. If they do not exist, new ones should be created.
 - Participation of local stakeholders can be a time consuming process.
 - Benefits include a better understanding of complicated processes, a credible TLAS and clarity on rights and responsibilities during TLAS/VPA implementation.
 - The final decision lies with the government, as VPAs are government to government processes.
 - The involvement of stakeholders in negotiation and implementation needs financial support. Funding should be available for the long term, while at the same time the independence of the stakeholders should not be compromised.
- Group 4: Customs collaboration on timber legality assurance
 - There is a lack of information exchange about timber legality within the customs platforms under ASEAN.
 - There are differences in permitting systems in ASEAN MS. More clarity on procedures and documents is required.
 - FLEGT-licensing procedures should be integrated into the existing export licensing systems for timber.
 - Joint meetings among forestry – customs officials on ASEAN level would be helpful to bring timber legality into the ongoing ASEAN work on trade integration.

Based on these presentations, the workshop participants made the following suggestions for action at the regional level:

- ASEAN Member States should initiate discussions among forestry and customs officials working on trade facilitation and timber legality assurance.
- ASEAN Member States should initiate more regional exchange of country developments and experiences on timber legality assurance, building on current efforts by the ASEAN Secretariat and EFI.
- Forestry, customs and business practitioners working on different ASEAN initiatives and in different ASEAN fora should call for greater regional integration of national timber legality assurance efforts, and increased exchanges on timber legality at higher ASEAN levels.
- ASEAN itself should recognize the large need for capacity building at national and regional levels on timber legality assurance.



- Building on the positive experience ASEAN Member States have gained with stakeholder involvement in VPAs and timber legality assurance, ASEAN may want to explore more meaningful stakeholder engagement and integration in other thematic areas.

The workshop was concluded with a visit to a production forest of a permanent reserved forest and an industry site, arranged with the kind assistance of Peninsular Malaysia's Forestry Department. The visit included a briefing by the Forestry Department of Pahang on sustainable forest management practices and timber legality assurance. The participants visited sites where they saw different parts of a timber supply chain. These included a short-term licence area to observe the inventory, tree marking and logging process, a temporary log landing for measuring and stacking logs, and a checking station for measurement, royalty payment and issuance of transport documents. Finally, the group visited a certified sawmill to learn about the recording of timber at mill site and segregation of different timber sources.

The success of the workshop is attributable to the active participation of all participants, the informative presentations by resource persons and country representatives, the conduct and structure of the workshop and the generous hospitality of the host government. All participants wish to convey their appreciation to the sponsors of the workshop, Dr. Alexander Hinrichs as workshop facilitator, the contributions of the resource persons, and the excellent logistical arrangements made by the secretariat. The workshop was held in the traditional ASEAN spirit of cooperation and solidarity.

Kuala Lumpur, Malaysia
25 April 2013