

Timber Legality Assurance Systems and control of imported timber

Ad-Hoc WG Meeting in Thailand

Bangkok, May 25th, 2017 - Alexander Hinrichs



1

TLAS

2

Examples

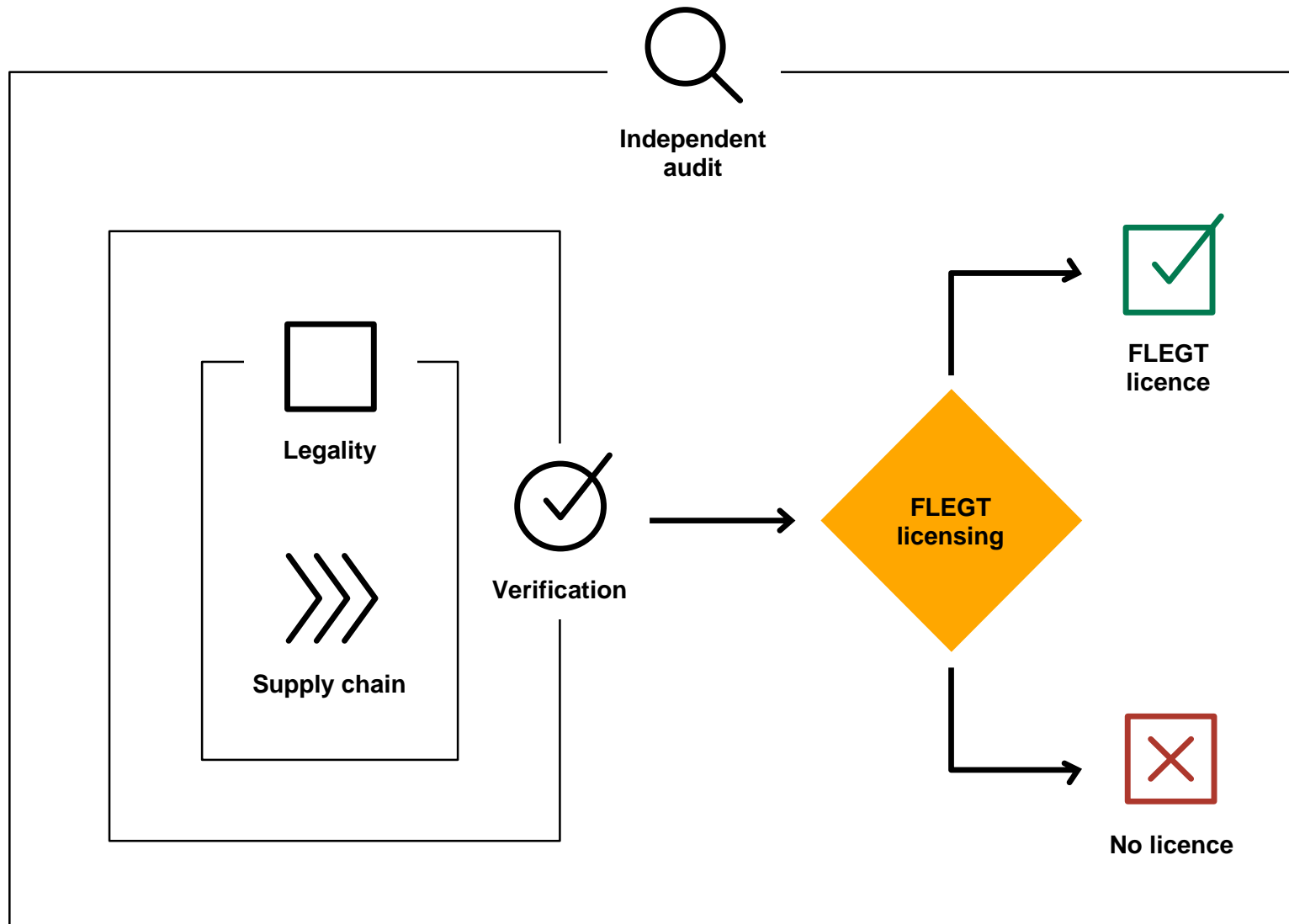
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Import control

Part 1: Timber Legality Assurance Systems

Timber Legality Assurance Systems (TLAS): 5 core elements

- A. Timber Legality definition (*country specific*).
- B. Supply chain control system (*traceability system*).
- C. Verification system (*both supply chain & legality*).
- D. Timber licensing (*Issuance of FLEGT Licences*).
- E. Independent audit (*regular system assessment*)

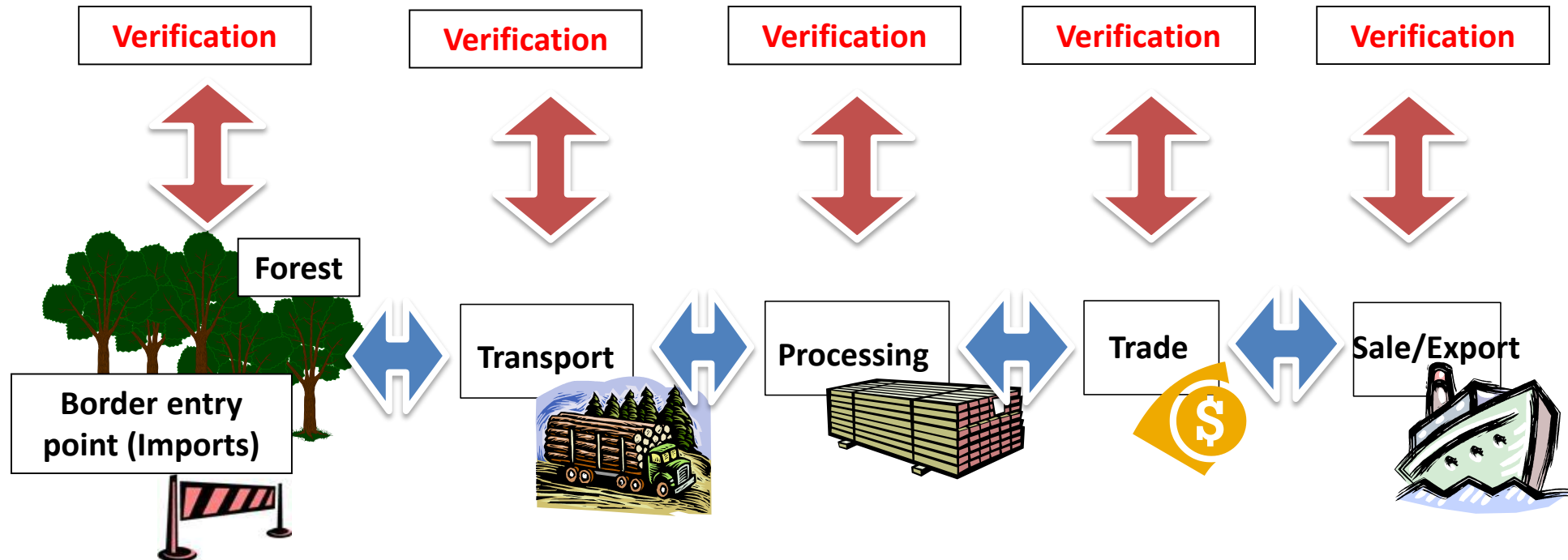


A. Legality Definition

1. The legality definition identifies **national legislative requirements** that must be systematically checked to ensure legal compliance.
2. **Result of a Multi-stakeholder process** deciding on requirements (broad consensus).
3. Every legality definition should consider compliance with legislation of **five areas** pertains to:
 - i. granting or compliance with rights to harvest;
 - ii. forest management incl. environmental obligations;
 - iii. taxes, import–export duties, royalties and fees;
 - iv. respect for tenure and use rights;
 - v. trade and export procedures including timber imports.

B. Supply Chain Controls

- The supply chain control system routinely ensures the integrity of timber product flows from the forest or the point of import to the point of sale or export by using traceability or tracking methods. Information Management and data reconciliation are key.
- Prevents unverified (possibly illegal) timber products from entering the supply chain.
- To consider: complexity, data management, control of transit timber, confiscated timber, appropriate controls for small-holders/small-scale processors



C. Verification

1. Verification system **ensures compliance with** –
 - i. the elements of the Legality Definition, and
 - ii. the supply chain control system.
2. Verification is systematic process **based on documented procedures and protocols** defining methodologies, frequencies and actors involved
3. Essentially defining “**who, what, when, where & how**” to ensure that requirements are met.

‘Who’ can be a several gov. agencies, CSOs, PS


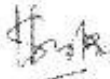
Special procedures for smallholders: IDN (Suppliers Declaration of Conformity) & VN (Organisational Classification System)

Thai LD: “who, what, when, where&how”

PRINCIPAL	CRITERIA	Indicator	Verifier	Legal reference	Description of Verification Processes, frequency and responsibilities
	O1-C2.3 Traceability (non-registered forest plantation)	O1-I2.3.1: An operator has logging written permit by related laws and regulations	<p>O1-V2.3.1.1: Teak logging in forest written permit (permit 1)</p> <p>O1-V2.3.1.2: Restricted Timber except Teak in forest written permit (permit 2)</p> <p>O1-V2.3.1.1: Logging written permit in reserved forest (P.S.2)</p>	<p>Forest Act, 1941 Section 11</p> <p>National Reserved Forest Act, 1964 Section 15</p>	<p>Verifier Issued by O1-V2.3.1.1-3: Provincial Governor</p> <p>Verification Process Conducted by: Competence Officer (including Provincial Natural Resources and Environment Officer; Local Forest Resource Management Officer; RFD Officer).</p> <p>Verification Frequency: per harvest.</p>
		<p>Description of Verification Process: When the operator wishes to harvest timber, the operator applies for a Logging Permit from the RFD. Upon receipt of a Logging Permit, the operator may harvests the tree(s). Following the harvest and before the timber is removed from the place of harvest, The operator must inform the Competence Officer to verify the Logging Permit and the timber.</p> <p>Verification means:</p> <ol style="list-style-type: none"> 1. Documentary review. 2. Inspection of species, size, and quantity of timber 			

D. Licensing

1. Under the VPA, a FLEGT Licence is issued for each shipment exported to the EU by a Licensing Authority (*independent from verification body/agency*) established in the partner country based on evidence of legal compliance provided by the verification systems.
2. Once FLEGT Licensing system is operational in a VPA country, EU border control agencies / EU FLEGT Competent Authorities will only allow entry of shipments of timber products covered in the country's VPA product scope if accompanied by a FLEGT licence.
3. Licences are validated before entry. If needed, partner country Licensing Authority is contacted.

EUROPEAN UNION		FLEGT	
ORIGINAL	1 Issuing authority Name PT. EQUALITY INDONESIA Address JL. SUKARAJA NOMOR 72 DESA SUKARAJA KECAMATAN SUKARAJA KABUPATEN BOGOR PROVINSI JAWA BARAT 16710 Authority registration number LVLK-005-IDN	2 Importer Name QUADRATO GMBH & CO. KG Address BRUCKENSTR. 1, 97246 EIBELSTADT, GERMANY Country of destination and ISO Code GERMANY - DE Port of loading TANJUNG EMAS Port of discharge HAMBURG	
	3 V-Legal/ licence number 16.07345-00121.006-4D-DE	4 Date of Expiry 25 03 2017	
	5 Country of export INDONESIA	7 Means of transport BY SEA	
	6 ISO Code ID		
	8 Licensee Name [REDACTED] Address [REDACTED] Tax Payer Number [REDACTED]		
1	9 Commercial description of the timber products ENCLOSED		10 HS-Heading ENCLOSED
	11 Common and Scientific Names ENCLOSED		12 Country of harvest ENCLOSED
	13 ISO Codes ENCLOSED		
14 Volume (m3) 8.0100		15 Net Weight (kg) 2.680.00	16 Number of units 230
17 Distinguishing marks INVOICE: EC1NV004/QUADRATO/XI/2016 ISSUED 24 NOVEMBER 2016			 560565364
18 Signature and stamp of issuing authority  Name UCEP SUCITRA Place and date BOGOR, 25 NOVEMBER 2016			

E. Independent Audit

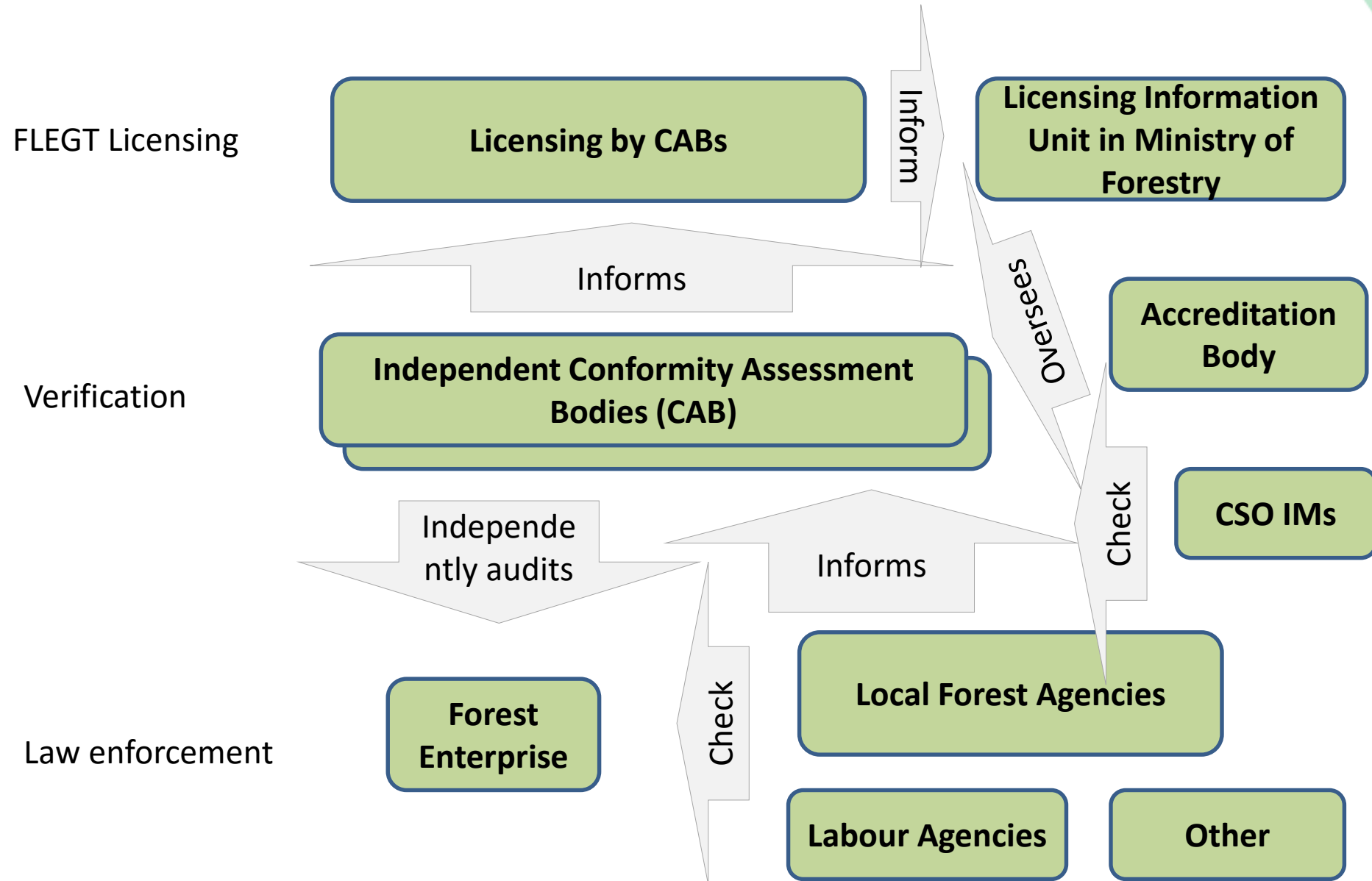
1. Regular (annual) systematic **audit of TLAS & its implementation by a 3rd party (independent audit company)** to assess whether systems operations are functioning as outlined in the VPA and to identify needs for improvements.
2. Reports to the Partner country and EU side (**Joint Implementation Committee**).
3. Makes **key findings available** for the general public.
4. Opportunity for **civil society inputs**.
5. Described in a special **VPA Annex**

Developing a TLAS

1. Start: assessing legal framework and existing systems by involving relevant stakeholders
2. LD: select applicable legislation (with relevance to product scope), identify and agree on legal reform opportunities (options), develop legislation for import control (new!), test draft LD
3. Supply chain control: describe and potentially improve current system, develop new elements where appropriate
4. Verification: describe and potentially improve current system, clarify and agree on roles and responsibilities (new role e.g. was given to CSO in IDN as independent monitor)
5. Licensing: set up licensing procedures (new)
6. Audit procedures: set up audit function (new)
7. Secure funding and build capacities of all actors
8. Test all elements

Part 2: Examples on verification and licensing structures

Indonesian verification & licensing structure



Liberia verification & licensing structure

FLEGT Licensing

Legal Licensing Department (LLD)

Informs

- Coordination
- Internal auditing

**Legality Verification Department (LVD) under
Forest Development Authority (FDA)**

Audits

Informs

- Legality Verification
- Law enforcement

Customs

**Forestry Development
Authority (FDA)**

**EPA
(Environment)**

**MOCI
(Industry &
Commerce)**

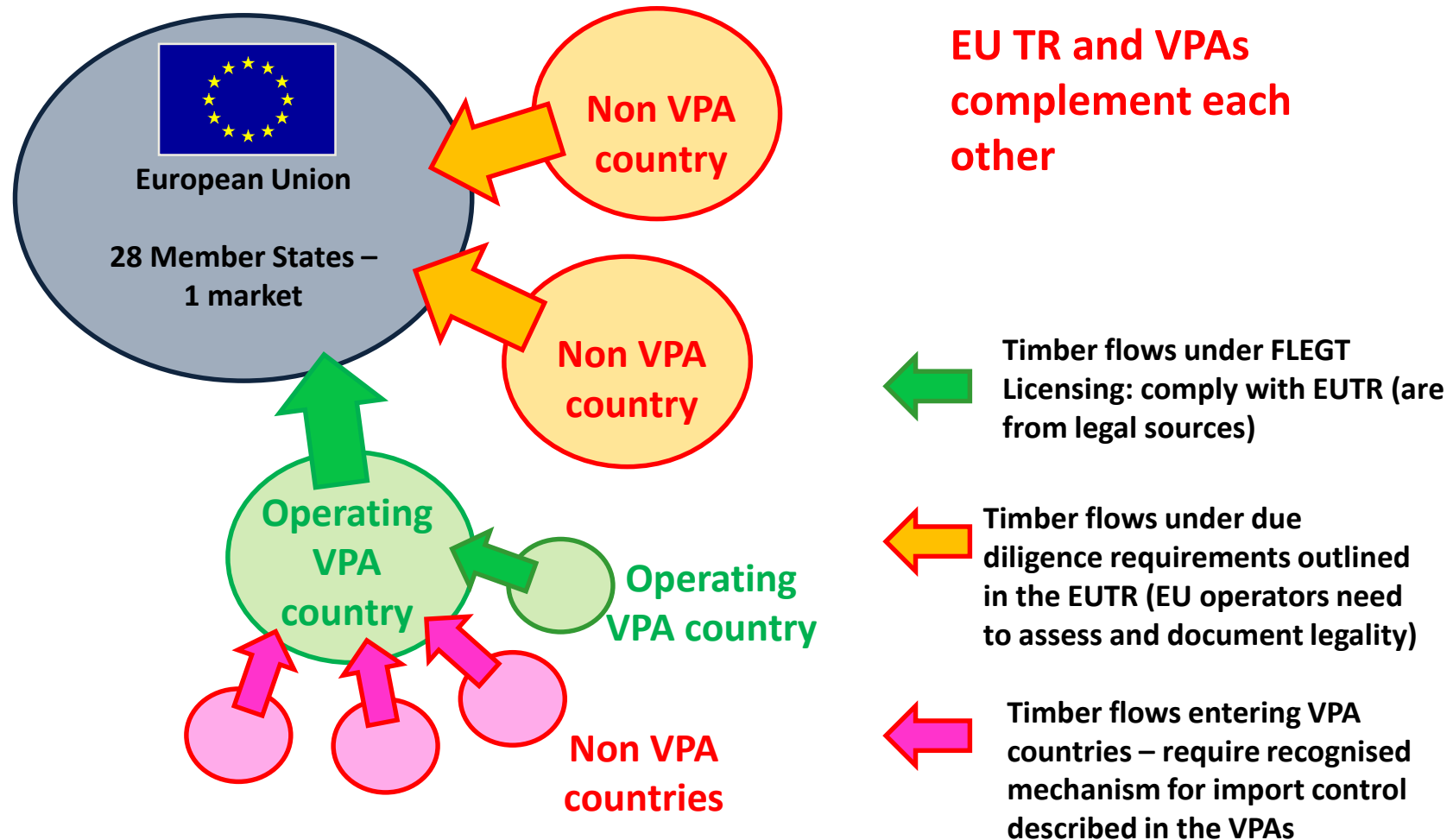
**DoA
(Agriculture)**

**MoL
(Labour)**

Other

Part 3: Controlling imports

Why needed: EU viewpoint



Why needed: Partner country viewpoint

1. Partner country aims at demonstrating that its timber and timber products are from level sources. Importing illegal timber undermines national efforts – all partner country timber effected (credibility of FLEGT licence at risk).

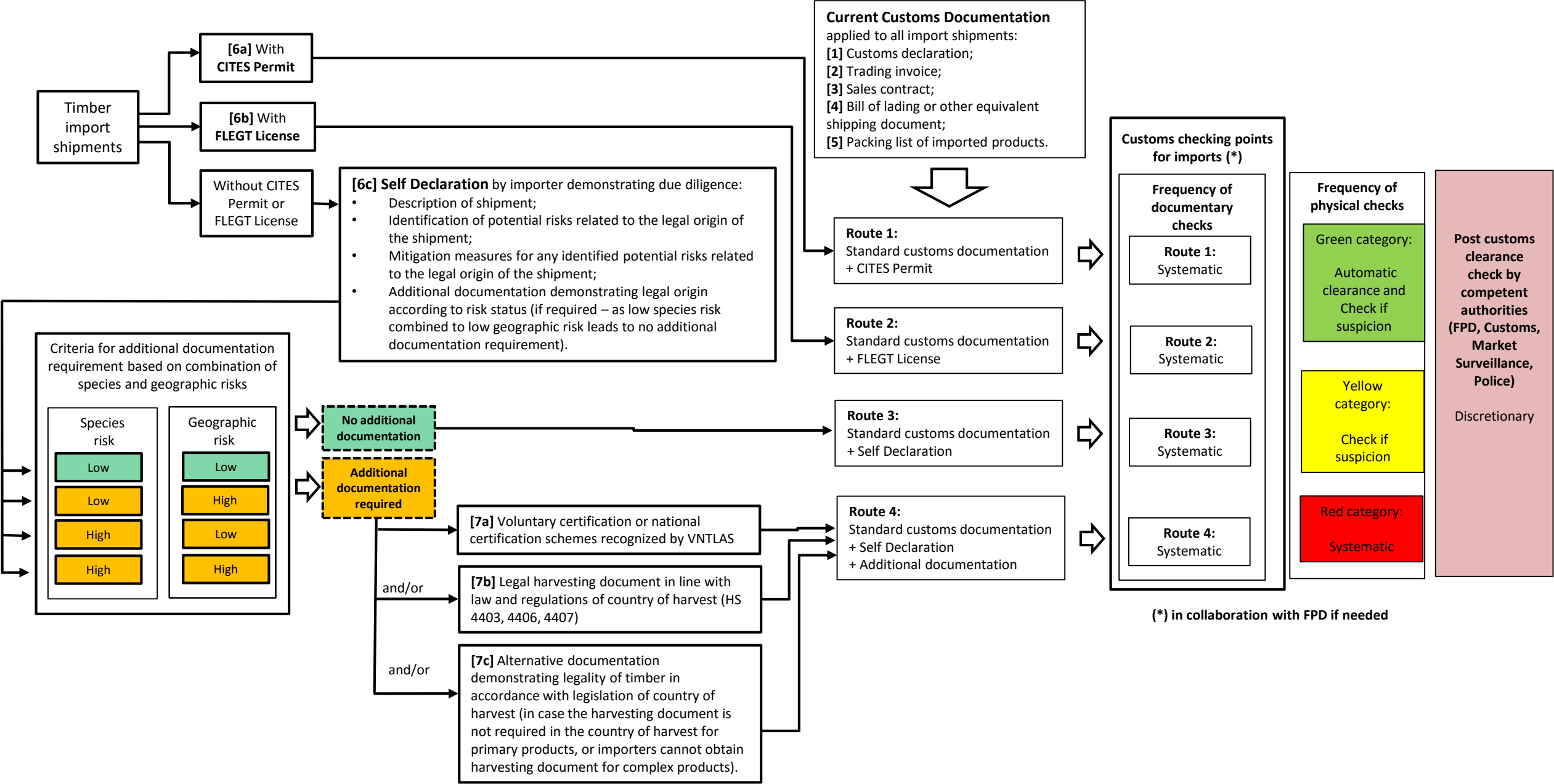
-> Partner country and EU join efforts to globally reduce illegal logging

-> Import controls are described in all VPAs. Most relevant for TH is learning from VN's planned import control

VPA text example: Indonesia

- In TLAS Annex
 - The TLAS requires that imported timber and timber products are cleared at customs and comply with Indonesia's import regulations. These regulations require that imported timber and timber products must be accompanied by documents and other pieces of evidence providing assurance of the legality of the timber in its country of harvest.
- In LD
 - Forest industries: 1.3.Importers of wood-based forest products are in possession of valid permits and implement due diligence
 - Timber industries: 2.1.2.Importers have valid documents that proof that imported timber comes from legal sources. Importers hold an import recommendation issued by MoEF [issued on due diligence procedures that were checked by MoEF. Also auditors check companies DD implementation]

VNTLAS: Chart of timber import controls




Further information

FLEGT.org

FLEGT.org Combating illegal logging through forest governance

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What is FLEGT? VPAs EU Timber Regulation EU FLEGT Action Plan evaluation Map of FLEGT projects Other initiatives

VPA Unpacked



What is VPA Unpacked and how is it structured?

VPA Unpacked is for anyone interested in unpacking an FLEGT Voluntary Partnership Agreement. It combines information for institutions, businesses, FLEGT and VPAs and for businesses already familiar with the concept. VPA Unpacked is also available in Spanish, [Dutch](#), [Danish](#), and French, [DPA](#) [in 2 & 3](#).

VPA Unpacked is organized in six chapters, which describe the different aspects of VPAs in increasing levels of detail. Click on one of the icons below to begin exploring the chapters.

VPA

What is a VPA?

VPA processes

VPA stakeholders

VPA elements

VPAs and governance

VPA structures

Thanks

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