

## WORKSHOP

### Timber Legal Assurance System (TLAS) in ASEAN 4<sup>th</sup> – 9<sup>th</sup> December, 2016, in Jakarta, Indonesia.

#### Roles of the CSOs Involvement

**Vietnam** – the CSOs-FLEGT Network has been formed to support the VPA Process. However, due to the key stakeholders in EU-FLEGT VPA process involve the Government and Non-government, only the Private sector has been invited to actively participate in the process. The COSs haven't been allowed to join at any key components (e.g., national steering committee and negotiate team) rather than technical groups. All TLAS have been developed by the government and private sector. However, the CSOs network provides their inputs only after the discussion between government and non-government has been taken place. The government then submits the documents to request the GSOs for their inputs. The CSOs can add their comments into the documents as they want and those comments have be taken note for references, (but taking into consideration is up to the government). The financial support has been so far by outside donors (e.g., EU, FERN).

**Thailand** – the process is at the beginning stage. The CSOs-FLEGT Network hasn't been established and only RECOP has been present so far in the process.

**Malaysia** – CSOs have played their role in the FLEGT VPA process up to 2013, but the CSO-Network hasn't been established. Relevant CSOs were allowed to participate in the EU FLEGT process prior 2013, but since then the National CSOs haven't taken part in the process.

**Myanmar** – the EU-FLEGT VPA is likely at the beginning stage. National CSOs exists and been invited to the process but CSOs network hasn't established.

**Lao PDR** – the CSOs network has been established and invited to be as a key stakeholder in the EU-FLEGT VPA process. CSOs network has been officially established and have been participated in all components of the VPA process, including the National Steering Committee, Negotiation team and other technical working and thematic expert groups. The CSOs have been allowed to provide as much inputs in the TLAS of different timber issues.

**Indonesia** – CSOs have actively participated in the EU-FLEGT VPA process for over 15 years, the CSOs-FLEGT network has

existed for years and been allowed to fully participate in any stages of VPA process. CSOs have served as key stakeholder in the process, working alongside with government and private sectors. Financially, the CSOs network have received financial support from outside funding (through proposals) but sometime from the government. Now, the FLEGT-VPA has been signed between government and EU, and CSOs have been now expected to actively participate in the Independent Monitoring body. The involvement of CSOs in FLEGT process has been approved by the government, and the future funding for CSOs to participate the monitoring activities is now under negotiation with government (and private sector), in attempting to receive the support from the government. The support has now been agreed by the government in principle, but the negotiation is now ongoing.

**Cambodia** – several CSOs exist in the country, and the CSOs working group has been established to take part in any government works as required. Eg. Cambodia-CSO REDD -working group. At the moment the FLEGT is now at the beginning stage, but ASEAN FLEGT has been in progress.

## Group 1: How to empower SME

- Informal micro enterprise/operator
- Small medium enterprise both having registered and non-registered status
- Smallholder farmers

### Challenge

#### Capacity/skill

- Lack in management in SME (including household industry)
- No access to financial institution for expanding their business
- Limited capacity and technology
- Limited labour skill
- Limited data management

#### Legal requirements/law enforcement

- Weak law enforcement
- Weak corporate governance
- Complicated regulation/legal framework on community based management in state owned forest
- Lack of awareness on legality issue (FLEGT, ILPA) and reluctant to change'
- Corruption that made the cost bigger

#### Competitiveness

- Lack of competition capacity for smaller business
- Manipulation by broker and monopoly by big company
- Doing business based on need i.e selling timber before the exact period due to economic need

## **RECOMMENDATIONS**

### **Legal compliance**

- Support from government: simplify regulation for SME, low interest rate, transparency encourage banks to support SME

### **Capacity development**

- Support from international: knowledge, technology, financial
- Government actively share knowledge and Provide reliable information on regulation and markets
- Support for uncompetitive companies to move to other business
- Capacity building by companies (producers and consumers)
- Assessment on SMEs especially informal sector regarding VPA
- Support market access for SMEs and innovation development

### **Awareness raising**

- Address perception on capability of SMEs to meet the requirements
- Strengthen communication among SME, CSO, and business sector

## **Organization of SMEs**

- Link SME to industry association, big industry, CSO ----
- multistakeholder dialog and capacity building
- Organize SME and farmer to association in countries where such association doesn't exist (Cambodia, Myanmar)
  - Involve SME in multi stakeholder dialog and consultation in negotiating FLEGT VPA

## **GROUP 2**

### **Imports into ASEAN Member States and their controls**

Followed by discussions amongst: Cambodia, Indonesia, Lao PDR, Malaysia, Philippines, Vietnam and China

### **Outcome of discussion**

- Countries should be aware of trade partners' systems and legislation
- If due diligence system is in place  ✓

- If no due diligence in place □ rely on bilateral dialogue or Pro activeness of receiving country

## Recommendation to ASEAN

- Explore opportunities for having an ASEAN approach to deal with imports, with similar objective

## GROUP 3

# Civil Society role in TLAs

## Challenges facing CSOs on FLEGT /TLAS in SE Asia

1. Creating, accessing and sharing information is a challenge – including understanding technical information
2. Limited human resource and financial capacity of CSOs
3. Creating an enabling / supportive environment for CSOs to work with government agencies
4. Lack of public interest on timber legality
5. Issue of relationships – especially between CSOs and private sector (large companies). Also issue of how CSOs can support SMEs.
6. Awareness raising and legal reforms
7. CSOs' being ignored e.g. complaints on illegal logging not being addressed by government.
8. Security of activists is still an issue in many countries (intimidation, harassment, and 'disappearing').

9. FLEGT VPA is a slow process. Difficult to keep CSO commitment (and support of donors in this) through whole process.

### Opportunities and strategies

1. CSOs to form an alliance to speak as one – national level and even regional level? EFI FLEGT Facility has funds to support work of CSOs on FLEGT – including focusing on linkage with ASEAN WG (to establish CSO FLEGT Forum on Southeast Asia level).
2. Need to involve CSOs in ASEAN technical working groups? There is also concern that this body/platform will be time consuming and ineffective, as well as being expensive. Also need to get China involved (also Japan).
3. CDNA for CSOs in VPA process, leading to a capacity development program to respond to these needs.
4. Numerous resources including at EFI FLEGT Facility ([www.flegt.org](http://www.flegt.org)). Including FLEGT media – resources available (from EFI FLEGT Facility) to translate into national languages

# Can we have an ASEAN Timber Legality Baseline?

YES, we can have an ASEAN Timber Legality Baseline

But before this could happen, certain steps have to be followed:

- 1) Reference set of Criteria and Indicators for timber legality verification.
- 2) Propose ASEAN C&I for Timber Legality (2009) as ASEAN reference set to be used to evaluate each country's timber legality standards for admission into the proposed ASEAN Timber Legality Verification Scheme (ATLVS).
- 3) This ASEAN C&I (2009) needs to be reviewed and revised to meet international norms in timber legality verification (e.g, TLAS, PEFC, FSC).
- 4) To undertake this review, AMS should make a commitment to stop illegal logging and associated trade in accordance with their national legislation and regulations.
- 5) This takes time; in the interim (1 – 2 years) it is recommended for ASEAN to have a standard reference set of documentation required to ensure that countries' documents for verifying legal timber meets this ASEAN standard set.

- 6) To review if countries' standards for timber legality verification meet this ASEAN C&I for Timber Legality (2009), this could be undertaken by the ASEAN Peer Consultation Framework or by an established ASEAN Panel of Experts.
- 7) When ASEAN agrees to use the current ASEAN C&I as the reference set under the proposed ATLVS for assessing AMS standards for timber legality verification, it is proposed that local CBs be used. In the interim, these local CBs need not be accredited against international requirements (ISO/IEC17021-1-2015).
- 8) These local CBs must have competence and expertise to do verification work (i.e., capacity building to pass the performance evaluation test).
- 9) Once ASEAN member states' standards are admitted into the ATLVS, this should be reflected in the National Single Window for the trade of timber and timber products.

## Conclusion

- It is hoped that with the revised ASEAN C&I for Timber Legality in line with international norms for timber legality verification and certification by internationally accredited CBs, the trade of ASEAN timber and timber products is deemed as originating from legally-managed forest and trade of legal timber and timber products