



PRESS RELEASE

INPUT-OUTPUT MONITORING ACCORDING TO INTERNATIONAL STANDARDS INTRODUCED FOR WOOD PROCESSING FACTORIES AND TRADERS

(For immediate release)

Vientiane Capital, 17 February 2017: On the 17th of February, a broad cross-section of government offices and other stakeholders gathered to review a proposed decision by the Ministry of Industry and Commerce (MOIC) which, when enacted, will define the rules for operational control and compliance monitoring the timber supply chain for timber being moved into, out of, and between timber traders and processors.

“This chain of custody, or COC, is a documentation system for accounting the timber inputs and outputs of each operator from log landing 2 until it is sold into domestic consumer markets or until it reaches the point of export.” said Mr. Manohack Rasachack, Director General of Department of Industry and Handicraft (DOIH), MOIC. This COC system will show the source of the timber and track it through the operators who trade, transport, and process the timber to ensure that all timber products are in compliance with the laws of Lao PDR.

Following the Prime Minister’s Decree 15 in May 2016 that strengthened the strict enforcement of timber law and suspended all illegal timber trade activities, the FLEGT VPA (Forest Law Enforcement, Governance and Trade on Voluntary Partnership Agreement) process has worked to develop a system for assuring that the timber industry moves forward in compliance with the laws of the Lao PDR. This draft decision, titled the “Decision on Management and Monitoring of Timber Input and Output in Wood Processing and Trading” is an important part of that Timber Legality Assurance System (TLAS) and began development under the support of the German Development Cooperation’s project ‘*Support to the Lao EU-FLEGT Process*’ (ProFLEGT), implemented by GIZ (Deutsche Gesellschaft fuer Internationale Zusammenarbeit), in February of 2016, even before the Prime Minister’s Decree 15.

The policy will include not only the process for monitoring the balance of timber input and outputs through the business operator’s records, but also clear mechanisms for monitoring agencies to inspect traders and suppliers and review their compliance. Operators that fail to comply with the mandatory COC system will be subject to punishment under the law, such as being fined, having the timber confiscated, or even criminal prosecution.



This meeting to review the Decision will be the first of many consultations with stakeholders before it is submitted to the Minister of Industry and Commerce for approval. When enacted, the implementation of the Decision will be under the responsibility of MOIC.



NOTES FOR EDITORS

In 2003 the EU published a Forest Law Enforcement, Governance and Trade (FLEGT) action plan to help combat illegal logging in countries from which it imported timber. A key element of the FLEGT Action Plan is a voluntary scheme to ensure that only legally harvested timber is imported into the EU from countries agreeing to take part in this scheme. The internal EU legal framework for this scheme is a Regulation adopted in December 2005, and a 2008 Implementing Regulation, allowing for the control of the entry of timber to the EU from countries entering into bilateral FLEGT Voluntary Partnership Agreements (VPAs) with the EU.

A key element of a FLEGT VPA is the development and implementation of a timber legality assurance system (TLAS) which comprises a national timber legality definition, a system of supply chain controls, procedures for timber legality and supply chain verification, a FLEGT licensing scheme; and independent auditing of the entire system.

Once agreed, the VPAs include commitments and action from both parties to halt trade in illegal timber, notably with a license scheme to verify the legality of timber exported to the EU. The agreements also promote better enforcement of forest law and promote an inclusive approach involving civil society and the private sector.

Laos has started to negotiate such an agreement with the EU, with assistance from the German Development Cooperation's project 'Support to the Lao EU-FLEGT Process' (ProFLEGT), implemented by GIZ (Deutsche Gesellschaft fuer Internationale Zusammenarbeit).

ProFLEGT is a joint initiative of the Lao Government and the German Development Cooperation. It is working closely with the Ministry of Agriculture and Forestry (through the FLEGT Standing Office under the supervision of the Department of Forest Inspection, DOFI), Ministry of Industry and Commerce, and Ministry of Natural Resources and Environment, as well as other Government agencies, civil society organisations, academia and timber processing industry.

During the initial stage of the Lao-EU FLEGT process, three pilot provinces have been selected, which are Sayaboury, Khammouane and Attapeu. In this regard, WWF is working with the Department of Forest Inspection (DoFI) to implement its FLEGT project in support of the Lao EU-FLEGT process in the two pilot provinces (Khammoane and Attapeu provinces). WWF takes a solutions-oriented, integrated and local to global approach that seeks synergies with relevant stakeholders to influence drivers of deforestation and degradation.

For further information on Lao EU-FLEGT Process: <http://FLEGTlaos.com/>

For further information on EU-FLEGT Action Plan: <http://www.flegt.org/>

For further information for journalists reporting on efforts to combat illegal logging through the EU Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan: <http://www.flegtmedia.org/>



For further information on ASEAN Forest Policy: <http://www.asean.org/>

*For further information on the Forest Law Enforcement Governance and Trade initiative:
http://ec.europa.eu/development/policies/9interventionareas/environment/forest/forestry_intro_en.cfm
www.euflegt.efi.int*

*For further reading on the European Timber Market and the EU Timber Regulation:
<http://www.cbi.eu/market-information/timber-products/eutr-guide>*

*For further information on understanding timber flows and control in Lao PDR:
<http://www.euflegt.efi.int/publications/-/document/25520>*

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