



REPORT OF

THE INCEPTION WORKSHOP ON MYANMAR TIMBER

LEGALITY ASSURANCE SYSTEM (MTLAS)

GAP ANALYSIS PROJECT

AND

THE NATIONAL CONSULTATIVE MEETING

ON C&Is FOR FOREST MANAGEMENT CERTIFICATION



Held at the International Business Centre,

Yangon, March 3-4, 2016

Edited by:

Myanmar Forest Certification Committee
(MFCC)

ACRONYM

AAC	-	Annual Allowance Cut
ALARM	-	Advancing Life and Regenerating Mother Land
ASI	-	Accreditation Service International
C&I	-	Criteria and Indicator
CB	-	Certification Bodies
CF	-	Community Forestry
COC	-	Chain of Custody
CSO	-	Civil Service Organization
DRI	-	Department of Research and Innovation
DRI	-	Department of Research of Innovation
DTL	-	Dawna Taninthari Landscape
ES	-	Ecosystem Services
EUTR	-	European Union Timber Regulation
FAO	-	Food Agricultural Organization
FD	-	Forest Department
FLEGT	-	Forest Law Enforcement Governance and Trade
FMU	-	Forest Management Unit
FPIC	-	Free prior and informed consent
FSC	-	Forest Stewardship Council
GAPCC	-	ASEAN German Programme on Response to Climate Change
GTF	-	Global Timber Forum
IAC	-	International Alliance of Certification
ISO	-	International Standard Organization
IT	-	Information and Technology
MFCC	-	Myanmar Forest Certification Committee
MFCS	-	Myanmar Forest Certification Scheme
MOECAF	-	Ministry of Environment Conservation and Forestry
MOST	-	Ministry of Science and Technology
MOST	-	Ministry of Sciences and Technology
MTE	-	Myanma Timber Enterprise
MTLAS	-	Myanmar Timber Legality Assurance System
NSQD	-	National Standard and Quality Department
NSQD	-	National Standard and Quality Department
SFM	-	Sustainable Forest Management
SVLK	-	Sistem Verifikasi Legalitas Kayu (Indonesian Timber Legality Assurance System)
TLAS	-	Timber Legality Assurance System
UCF	-	Unclassified Forest
VPA	-	Voluntary Partnership Agreement
WWF	-	World Wildlife Fund

Day one

**Inception Workshop on MTLAS
GapAnalysis Project**

3 March 2016

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1. Introduction

The Myanmar Forest Certification Committee (MFCC) is affiliated to the Ministry of Environmental Conservation and Forestry (MOECF) and its membership includes a wider range of government, civil society and private sector representatives. It is set up to develop forest product standards to ensure the sustainable management of Myanmar's forest resources and is the National Governing Body of the Myanmar Forest Certification Scheme (MFCS) and the Myanmar Timber Legality Assurance System (MTLAS). The day-to-day activities of MFCC are carried out by the MFCC Secretariat guided by the MFCC chairman and Committee Members.

The MTLAS was developed in response to ASEAN market integration objectives. Timber is one of the key integration commodities and ASEAN Criteria and Indicators for Legality of Timber were developed to guide the development of consistent Timber Legality Assurance Systems across the region. The current version of the MTLAS includes a national legality standard covering 6 principles and 15 criteria. The aim of the MTLAS is to underpin the assurance of Licenses, Permits or Certificates guaranteeing the legality of timber exports.

The MFCC is now implementing the FAO-FLEGT Project to strengthen the current MTLAS which is the official mandatory system but it should be differentiated from a TLAS as defined and developed in the context of a VPA. Assessing the current MTLAS and the related pipeline legislations, instructions, and regulations against a methodology based on international best practices identifies gaps, challenges and issues that can inform the multi-stakeholder dialogue initiated through the FLEGT VPA process and the development of a Myanmar VPA-TLAS.

The Inception Workshop on MTLAS Gap Analysis Project was held on 3 March 2016 at the International Business Centre in Yangon. It was attended by 98 participants.

2. Objectives of the Workshop

The objective of the Workshop is mainly to raise the capacity of all members of the Project's Consultative Group, Core Team of the Project and other related stakeholders in TLAS development and to give an insight into FLEGT VPA process. The proposed project activities are;

- (a) Raising awareness on FLEGT and VPAs
 - The MTLAS;
 - FLEGT and VPA;
 - Internationally accepted legality and traceability principles/ requirement and assurance systems;
 - Understanding the differences between the current MTLAS and a national FLEGT VPA TLAS to be established in the context of VPA negotiations;
 - Examples of relevant assessment frameworks;
 - Examples of assessments of VPA TLAS;
- (b) Stakeholder consultation will be conducted on the draft Methodology for the expert-led MTLAS Gap Analysis and selection of Core Team who will participate in the study tour and field work.

3. Opening Session

The first part of the morning session consisted of opening remarks by representatives from MOECAF and FAO.



3.1 Opening and welcoming remarks by DrNyiNyi Kyaw, Director-General, Forest Department

Dr. NyiNyi Kyaw, Director General of the Forest Department (FD) delivered the opening and welcoming remarks on behalf of H.E U Win Tun Union Minister of MOECAF. He highlighted the illegal logging has a devastating impact on some of the world's most valuable forests and its associated trade, also undermine the competitiveness of legitimate forest industry operations in both exporting and importing countries. He noted the great efforts made by EU and other consuming countries across the world over the past years to combat illegal logging in the forestry sector. With the goal of attaining sustainable forest management (SFM) Dr. NyiNyi Kyaw elaborated on the commitment of the government of Myanmar and her effort in forest resources management including timber. He briefly mentioned the development of MTLAS and its Gap Analysis Project supported by EU FAO FLEGT Support Programme to identify the strengths and weaknesses of the current MTLAS against internationally recognized legality principles and informs the future Myanmar-EU FLEGT VPA process.



In the effort of developing C&Is for natural forest and plantation management certification he noted that the draft C&Is will be discussed during the consultative meeting on the next day to get consensus agreement before field test and adoption. In

closing, he expressed his hope that this two-day event is of national significance in terms of development of a sound TLAS and setting the standards for forest management certification. The full text of his opening remarks appears in Annex-1.

3.2 Opening remarks by Mr. Bruno Cammaert, Forestry Officer, FAO FLEGT Support Programme

Mr. Bruno Cammaert, Forestry Officer, EU-FAO FLEGT Support Programme, FAO Regional Office of Asia and the Pacific delivered the opening remarks. He expressed his sincere thanks to the MOECAP for giving him opportunities to give opening remarks to the workshop.

Mr. Cammaert stated that Gap Analysis includes the gaps between what is written on the paper and at the reality and it needs to be based on the multi-stakeholder engagement and participation. He explained the formation of National Consultative Group and Core Team that will be involved in the project. He mentioned the development of C&Is for natural forest and plantation management certification in the second day of the workshop and urged MFCC and MOECAP to promote linkages and synergy between legality verification and forest management certification. Finally he wished the Workshop fruitful and successful.



4. Presentation by the Resource Persons

4.1 Overview of current MTLAS

Dr. Tin Tin Myint from MFCC presented the overview of the current MTLAS. Her presentation in slides is provided in Annex-4.

There are 6 principles and 20 criteria in the current MTLAS. The control procedures for each criterion were mentioned in the presentation. The control procedure and documents involved in the processing and the export licences for timber product will ensure that the laws, regulations and procedures dealing with the licencing of forest harvesting, milling and export have been complied with. The control procedures when implemented will be subject to an independent verification process by a third-party.



The progress of the Myanmar VPA process and the issues and challenges of current MTLAS were also pointed out in the presentation.

4.1.1 Discussion points

Q: Question

A: Answer

C: Comment

Q: Are there any weaknesses in making sub-contracts by Myanmar Timber Enterprise (MTE) with harvesting companies?

A: MTE has the manuals and instructions for sub-contracting the logging and transporting logs.

C: Transparency and independent monitoring are necessary in the System and the institutional arrangement should be added in the presentation.

C: If the concerned parties follow the rules and regulations of the logging there will not be illegal timber. The timber traders have to follow the old and new laws and instructions issued frequently with regard to timber trade.



4.2 Strengthening Forest Governance through Timber Legality Assurance System (TLAS) in Voluntary Partnership Agreements (VPA)

The presentation was made by Mr. Hugh Speechy, FLEGT Facilitator in Myanmar. The full text of presentation in slides is provided in Annex-5.

He explained that TLAS is a Documented System to assure interested parties that a Timber product has been legally produced. TLAS components in VPA processes are,

- Legality definition (standard)
- Chain of Custody (COC) Traceability System
- Verification
- FLEGT Licensing and
- Independent Audit

He stressed that in the development of the Legality Definition/Standard, it must be agreed through an inclusive of multi-stakeholder process. The Chain of Custody ensures that no timber that hasn't been legally verified enters the supply chain.

It is important that the Check-Lists and auditing procedures are clearly prepared before the assessment is carried out. With regard to the FLEGT Licensing, it must be mentioned the responsible parties for export licensing, the documents required to issue export licenses and the licensing decision made based on verification/COC evidence. The verification for FLEGT Licensing, can be by shipment-based in which the authority inspects evidence for individual shipment and issues licenses or by operator-based in which authority audits exporters' systems periodically and issues licenses based on confidence that system is working and the hybrid system can also be possible. The



Independent Audit is required by qualified parties that have no links to the Supply Chain actors and it must meet the requirements of ISO/IEC guides.

Mr. Speechy then explained the institutional arrangement of FLEGT VPA processes which are being carried out in Ghana, Indonesia and Liberia.

4.2.1 Discussion points

C: Getting information in the case of transparency, Myanmar is not the country that the Civil Society can get the required information easily. Before VPA is started, the Transparency index and the type of classification has to be negotiated.

Q: Are two new departments established in the Forest Development Authority in Ghana the government departments?

A: Yes

Q: Three countries are mentioned in the presentation. Which country do you think Myanmar should follow?

A: It is difficult to answer. The situations in different countries are different.

Q: How many countries have finished VPA implementations?

A: There are 15 countries carrying out VPA negotiation, Indonesia, Laos, Thailand and Vietnam are from ASEAN. Indonesia expects to issue VPA license in 2016.

Q: Independent Audit. Which parties should carry out independent audit and how about in Myanmar?

A: Independent audit is necessary in the VPA process. In the case of Indonesia the parties which have been recognized by the accreditation body carry out assessment.

There are two types of audit, System Audit and shipment/consignment Audit.

In Myanmar, it is planned to do Audit by the independent third parties recognized by the Standard Department of the Ministry of Science and Technology which is the accreditation body.



4.3 Timber Legality Assurance System: Assessments in VPA processes

Mr. Speechy continued to explain the assessments in VPA processes of TLAS in Indonesia, Malaysia and Ghana. The presentation in slides appears in full in Annex-6.

He pointed out that the assessments are necessary to provide assurance that licensed timber products have been legally produced, to identify needs for improvement

and to assess institutional capacity to implement proposed system including need for financial support.

The stages of the VPA process are the Negotiation, implementation and Licensing. In the Negotiation stage, the Initial Design of TLAS is developed and it is implemented in the Implementation stage. The readiness for “go-live” in FLEGT licensing is assessed in the Licensing stage. Different stages are arrived at in three countries studied.

In Indonesia it took 7 years to develop the initial design of SVLK (Indonesian TLAS) and the assessment results had been reported to Joint Implementation Committee.

The initial assessment was carried out by Joint Expert Team (JEM) in the negotiation stage in Malaysia and the implementing plan was reviewed by Technical Working Group and JEMs.

In Ghana, TLAS is based on the existing paper-based regulatory system. The new IT COC system was introduced and it showed that pilot system design did not meet the requirements. It identified needs for strengthening capacity to apply the system within the Forestry Commission structure.

4.3.1 Discussion points

- Q: Is the Electronic Tracking (IT) in Ghana working well?
- A: The Capacity building and the infrastructure development are necessary.
- Q: How do they purchase the system (IT)?
- A: In Liberia, there was agreement with EU government to fund IT system. In the case of Ghana the government took responsibility.
- Q: The initial assessment of the TLAS was carried out by Joint Expert Team. What are the criteria to select the members of the Joint Expert Team?
- A: They have to know the TLAS very clearly and timber regulations and the local knowledge are also very important. In the Malaysia case, people are mostly from Forest Department.

4.4 International Market Requirements Overview

Ms. Rachel Butler, the Executive Director of Global Timber Forum presented the overview of the Global Market Requirements to prohibit illegal timber.

The full text of the presentation is provided in Annex-7.

Ms. Butler pointed out that the following policies and laws were issued to prohibit illegal timber to the corresponding markets.

- Private company policies, e.g IKEA
- Public Procurement policies; e.g. EU Member states procurement policies
- Green Building Codes; e.g. US



- Illegal logging Regulations; EU Timber Trade Regulation, US Lacey Act, Australian Prohibition

She emphasized that buyers and producers must exercise due diligence or due care and must know their supply chains.

She also pointed out that Certification and Legality Verification are not automatically compliant and they are tools to be used as evidence of risk mitigation. EUTR exempts the operators (importer) to undertake due diligence on the FLEGT licensed timber. She concluded that the Legal Timber can get market access and Sustainable Timber can get market value.

4.4.1 Discussion points

Q: It is assumed that the illegal timbers become legal after the court decisions have been settled. Can those timbers be exported as a legal timber?

A: It cannot be.

A: There is no detail for this issue in the EU Timber Regulation.

Q: Someone is producing wood handicraft without knowing that he is using illegal timber. If it is claimed that the raw he is using is illegal, is it legal or illegal?

A: The producer has the responsibility to check and also the buyers. China has a lot of problems. A lot of fake certificates came from China.



4.5 The MTLAS Gap Analysis Framework

Ms. Sofia Ryder, International Timber Legality Assurance Expert of the project explained the draft MTLAS Gap Analysis Framework which will be applied in the Desk-based review. The full text of her presentation appears in Annex-8.

She mentioned that it is an opportunity for Myanmar to evaluate the current MTLAS against existing frameworks and best practices as a capacity building exercise and identify possible areas for strengthening MTLAS. The elements of a Timber Legality Assurance System are;

- Definition of legally produced timber (standard)
- Mechanisms for control of the supply chain
 - Means to verify the standard requirements
 - Issuing of certificate or license
 - Monitoring/oversight



She also pointed out that there are other considerations to be considered in the system as Rigor, Engagement, Impartiality, Transparency, Accessibility, Truthfulness, and Efficiency and soon. The activities of the MTLAS Gap Analysis are,

- To establish a Core Team to support finalization of the gap analysis framework
- To review the current MTLA against the Framework (desk review and field visit)
- To present findings at the final workshop for consideration of options to go forward

4.5.1 Discussion points

Q: It is complicated to differentiate between the legal and illegal timber. It is difficult to understand?

A: Sources which are illegal are not compliant with the standard.

Q: In many cases, is it suspiciously legal?

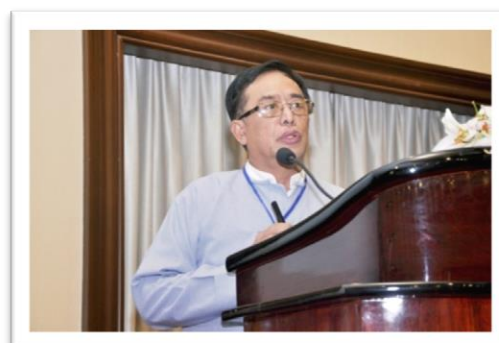
A: It is a developing process. It is difficult to answer this kind of specific issues.



4.6 Methodology of the Project

U Barber Cho, Secretary of MFCC explained the methodology to implement the project activities to be discussed by the Workshop. His presentation is provided in Annex-9.

He mentioned that the MTLAS gap analysis will be carried out by a Team consists of a National and International Timber Legality Assurance Expert, guided and supported by a Core Team selected from a multi-Stakeholder Consultative Group, which consists of representations from different sectors and international observers. The members (Parties) of the Consultative Group with the numbers of representatives from each organization were proposed to be discussed. The methodology will include the following activities:



- **Inception workshop**

The workshop included the presentations on MTLAS, internationally accepted TLAS (including VPA-TLAS), example of relevant assessment frameworks and the consolidated draft of the gap analysis framework. The

members (Parties) of Core Team with the number of people from each party were also proposed for discussion.

- **Desk review of MTLAS against Gap Analysis Framework**

Following the inception workshop the core and expert teams will consolidate the MTLAS Gap Analysis Framework. The Expert Team will conduct a desk review of the MTLAS against the final Gap Analysis Framework.

- **Field review**

The Core Team will conduct an Expert led field review to assess the level of implementation to the MTLAS requirements identified in the desk review.

- **Study tour to Indonesia**

The Core Team will undertake a study tour to Indonesia to learn about SVLK development and implementation as part of the VPA negotiation and implementation.

- **Final Consultation Workshop and identification of next steps**

The Core and Expert Team will compile a consolidated MTLAS Gap Analysis report based on the results of the field review. The report will be shared with all members of the Consultative Group ahead of the Final Consultative Workshop which will identify the possible next steps on how to further develop the MTLAS in the context of VPA process.

4.6.1 Discussion points

Many participants discussed in length for the formation of the National Consultative Group and Core Team to implement the project activities successfully. It was also discussed to include ALARM in the National Consultative Group. The Workshop agreed in principle the methodology presented and urged MFCC for the inclusion of related NGOs in the Consultative Group and Core Team.

5. Workshop Resolutions

- The draft methodology was agreed by the workshop for the successful implementation of the project
- Participation of relevant CSOs in the National Consultative Group and the Core Team is considered
- The Core and Expert Team consolidate the MTLAS Gap Analysis Framework

6. Closing Remarks

U Shwe Kyaw closed the Inception Workshop on MTLAS Gap Analysis Project.

He highlighted the objectives and activities of the project and the stages of the FLEGT VPA process.

He stressed that MFCC do not involve directly in the Myanmar FLEGT VPA process but assists the process as MTLAS is part of the Myanmar Forest Certification Scheme. MFCC coordinates the concerned parties to implement the activities of the MTLAS Gap Analysis Project and the Myanmar FLEGT VPA process successfully.

He concluded his remarks by expressing his gratitude and appreciation to Dr. NyiNyi Kyaw, Director- General, Forest Department and Mr. Bruno Cammaert, Forestry Officer, FAO FLEGT Support Programme for delivering the opening remarks and thanking to the FAO FLEGT Support Programme and Global Timber Forum(GTF) for financial support to carry out the project and to all resource persons and participants for their attendances and actively took part in the deliberations for the success of the workshop.

ANNEXES

Annex.1 Opening Remarks

**Opening Address by Dr. NyiNyi Kyaw, Director General, Forest Department,
On behalf of H.E U Win Tun, the Union Minister, MOECAFO n the occasion of the
“Inception Workshop of the MTLAS Gap Analysis Project” and the “National
Consultative Meeting On C&I for Forest Management”**

3-4 March 2016, International Business Center, Yangon

- Representatives from EU-FAO FLEGT Support Programme, EU FLEGT Facility, WWF Myanmar, NGO, INGOs
- Officials from MOECAF
- Participants, Ladies and Gentlemen

Good Morning!

It is a great honor and pleasure for me to have the opportunity to address this “Inception Workshop on Myanmar Timber Legality Assurance System (in short MTLAS) Gap Analysis Project” and the “National Consultative Meeting on C&I for Forest Management” organized by the Myanmar Forest Certification Committee – MFCC, EU-FAO FLEGT Support Programme and world Wide Fund for Nature-Myanmar (WWF Myanmar). May I express my appreciation of your presence which reflects very favorably on the importance that you are giving to the occasion.

Ladies and Gentlemen

Firstly allow me to touch upon the MTLAS Gap Analysis Project. As you may be aware that illegal logging has a devastating impact on some of the world’s most valuable forests and on the people who live in and around the forests. Billions of dollars are lost every year, the livelihoods of millions of poor people are affected and causes enormous environmental damage and loss of biodiversity. Illegal logging and associated trade also undermine the competitiveness of legitimate forest industry operations in both exporting and importing countries. It contributes to the deforestation and forest degradation that leads to climate change. EU and other consuming countries across the world have made great efforts over the past years to combat illegal logging and related trade.

Ladies and Gentlemen

Myanmar, like the developing countries in the tropics is facing illegal logging due to complexity nature of socio-economic and poverty, insufficient financial assets and market access and it must also be accepted that poor law enforcement and governance are also the underlying causes of illegal logging in the forestry sector.

However, Myanmar has a long tradition of forest management for sustainable production of forest resources, including timber. Forest Department (FD) and Myanmar Timber Enterprise (MTE) are two main institutions under the Ministry of Environmental Conservation and Forestry which undertake the forest-related activities. Mandated by the Forest Law, the FD is responsible for protection,

conservation and sustainable management of forest resources. The MTE which is a state-owned enterprise is authorized to conduct harvesting of timber by itself or through private sector, milling marketing and export of timber and its products. The FD and MTE have been working closely since 1950s to ensure systematic logging, minimize damage to the forest, prevent timber pouching and transport of timber. As a result, legislation, manuals, departmental instructions, guidelines etc. with regard to harvesting, transporting and processing of timber are in place.

The current Myanmar Timber Legality Assurance System (MTLAS) is based on the above rules and regulations and has 6 principles and 15 Criteria. It is noted that the MTLAS Gap Analysis project supported by EU FAO FLEGT Support Programme is to identify the strengths and weaknesses of the current MTLAS against internationally recognized legality principles, requirements and best practices and by doing so informs the future Myanmar – EU FLEGT VPA process. During this Inception Workshop, it will also be focused on capacity building of the members of MFCC and FLEGT Interim Task Force and other related persons. The Project Consultative Group and Core Team will also be formed and methodology will be discussed for the successful implementation of the project activities.

Ladies and Gentlemen

Secondly I would like to touch upon the National Consultative Meeting on C&I for Forest Management Certification. In the first session of the meeting, WWF-Myanmar will introduce the Forest Stewardship Council-FSC to the meeting and present on the FSC's National Forest Steward Standard development process, certification on ecosystem services and market overview. The aim of the FSC session is to provide stakeholders the opportunity to assess all options of FSC available for Forest Management Certification.

The Myanmar C&I development will be discussed in the second session. Myanmar Forest Certification Scheme (MFCS) has been developed by Myanmar Forest Certification Committee (MFCC) and is being operated on the Forest District level. The standard for the natural forest management certification (Myanmar C&I for the Forest Management Certification-2007) of the MFCS which is the prerequisite of the scheme was developed based on the ITTO's C&I for Sustainable Management of the Natural Tropical Forests and was adopted following the national consultative meeting in 2007.

It is now time to revise the above 2007 standard to be in line with the international development. In addition, it is also required a standard for the plantation management certification. The two C&Is for natural forest and plantation management certification was drafted by a national consultant of MFCC and discussed by the technical group of the MFCC. These two sets of C&Is in Myanmar and English versions were also distributed to the relevant stakeholders of government, civil society and private sectors for comments. Some comments and suggestions were received from the stakeholders. It will be further discussed during this consultative meeting to get consensus agreement which is required by the standard setting process. The draft C&Is will be revised based on the meeting resolutions and field-tested before adoption.

Ladies and Gentlemen

Allow me to turn to our Workshop and Meeting. I think this two-day event is of national significance in terms of development of a sound Timber Legality Assurance System and setting the standards for forest management certification. It is most encouraging to observe that responsible personnel from various stakeholder groups namely government, civil society and private sectors which are related with the forestry sector are participating. I would strongly urge all participants to take every opportunity of this occasion and deliberate actively and freely. With your active participation, I am convinced that this event will be fruitful and rewarding.

In conclusion, I would like to express my gratitude to all participants who are here to share their experiences and commitments. The generous support received from EU FAO FLEGT Support Programme and the World's Wildlife Fund for Nature - Myanmar is very much appreciated. I would also like to thank MFCC for organizing this event and all the resource persons from various organizations for their invaluable contributions. I wish you all great success and achievements in your deliberations.

Thank you

Annex. 2 Agenda of the Workshop

**Inception Workshop on MTLAS Gap Analysis Project Agenda**

Day One (3-3-2016)		
Opening		
09:00 to 9:15	Opening Remarks	Dr. NyiNyi Kyaw, Director General, Forest Department (On behalf of H.E U Win Tun, Union Minister of MoECAf)
09:15 to 9:30	Opening Remarks	Mr. Bruno Cammaert, Forestry Officer, EU-FAO FLEGT Support Programme
09:30 to 10:00	Photo Session and Coffee Break	
Morning Session		
10:00 to 10:30	Overview of Current MTLAS	Dr. Tin Tin Myint, Manager (MTE/ MFCC Office Attached)
10:30 to 10:40	Question & Answer	
10:40 to 11:10	Detailed Overview of VPA-TLAS Requirements and Development Process	Mr. Hugh Speechly, FLEGT Facilitator (EFI)
11:10 to 11:20	Question & Answer	
11:20 to 11:50	Short Overview of Existing Assessment Frameworks and Lessons Learned from Assessments of VPA-TLAS	Mr. Hugh Speechly, FLEGT Facilitator (EFI)
11:50 to 12:00	Question & Answer	
12:00 to 13:00	Lunch Break	
Afternoon Session		
13:00 to 13:30	International Market Requirement Overview	Rachel Butler
13:30 to 13:40	Question & Answer	
13:40 to 14:10	MTLAS Gap Analysis Framework	Ms. Sofia Ryder, International Consultant
14:10 to 14:20	Question & Answer	
14:20 to 14:40	Coffee Break	
14:40 to 15:40	Methodology Review and Discussion	U Barber Cho, Secretary of MFCC
Closing Session		
15:40 to 16:00	Closing Remarks	U Shwe Kyaw, Chairman of MFCC

Annex. 3 List of Participants**NATIONAL PARTICIPANTS**

Inception Workshop on MTLAS Gap Analysis Project

3 March, 2016

Sn. No	Name	Designation	Department
1	U Shwe Kyaw	Chairman	MFCC
2	U KoKo Lin	Assistant Director	Labour
3	Daw Cherry Mang Mann	Director	Planning, MFCC Member
4	Daw Cho Tu Mar	Deputy Director	Planning
5	Dr. San Thwin	Professor	University of Forestry, MFCC Member
6	U Aung Soe	Assistant Director	FRI
7	U Win Naing	Director	MOECAF, MFCC Member
8	Dr. War War Moe	Deputy Director	Ministry of Science and Technology
9	U Win Tint	Senior Metrology	Ministry of Science and Technology, MFCC Member
10	Daw Aye Aye Win	Director	Attorney General, MFCC Member
11	U Aung Myin	Deputy General Manager(Retired)	MTE, MFCC Member
12	U MehmKoKoGyi	Vice Chairman	ECCDI, MFCC Member
13	U Tin Ohn	E C Member	FREDA, MFCC Member
14	U Ohn Lwin	Professor	University of Forestry
15	U HlaHtut Win	Staff Officer	MOECAF
16	U Myo Min	Director, FD	EU FLEGT VPA (ITF)
17	U Min MinOo	Staff Officer	Forest Department
18	U Zaw Win	Assistant Director, FD	EU FLEGT VPA (ITF)
19	U Kyaw Htike	Assistant General Manager, MTE	EU FLEGT VPA (ITF) , MFCC Member
20	Dr. Tin TinMyint	Manager, MTE	EU FLEGT VPA (ITF)
21	U Ngwe Soe	Deputy Director, Trade	EU FLEGT VPA (ITF)
22	Dr. Sein Win	President ,MFPMF	EU FLEGT VPA (ITF), MFCC Member
23	U Maung Mg Thein Htike	CEO, MFPMF	EU FLEGT VPA (ITF)
24	U Barber Cho	Advisor, MFPMF	EU FLEGT VPA (ITF), MFCC Secretary
25	U Zaw Win	Advisor, MFPMF	EU FLEGT VPA (ITF)

Sn. No	Name	Designation	Department
26	U Kyaw Thu	Chairman, Myanmar Rattan& Bamboo Enterprise Association	EU FLEGT VPA (ITF)
27	U Kyaw Htun	Deputy Director General, MOECAAF(Retired)	
28	U Kyaw Min Htun	ThuriyaSandar, Region of Sagaing ,CSO	EU FLEGT VPA (ITF)
29	U Tet Toe	Assistant Director	Forest Department
30	U Phyo Zin Mon Naing	Assistant Director	Forest Department
31	U Chit Oo	Assistant Director	Forest Department
32	U Nyunt Win	Assistant Director	Forest Department
33	U SoeMyint Thein	Assistant Director	Forest Department
34	U ThaungOo	Assistant Director	Forest Department
35	U Soe Tint	Assistant Director	Forest Department
36	U HlaOo	Assistant Director	Forest Department
37	U Saw Ba Hein	Assistant Director	Forest Department
38	U HtayMaung	Assistant Director	Forest Department
39	U Aye Cho Thaung	Deputy General Manager	Myanma Timber Enterprise
40	U Aung Htun Kyaw	Assistant General Manager	Myanma Timber Enterprise
41	U Soe Yee	Assistant General Manager	Myanma Timber Enterprise
42	U Kyaw Kyaw	Assistant General Manager	Myanma Timber Enterprise
43	U Ye Htun	Assistant General Manager	Myanma Timber Enterprise
44	U Thiha	Assistant General Manager	Myanma Timber Enterprise
45	U Tin Min	Assistant General Manager	Myanma Timber Enterprise
46	U Zaw Win Thein	Assistant General Manager	Myanma Timber Enterprise
47	U ZawZawTun	Manager	Myanma Timber Enterprise
48	U Aung Htay	Manager	Myanma Timber Enterprise
49	U Win KoKo	Manager	Myanma Timber Enterprise
50	U Min Aung Naing	Manager	Myanma Timber Enterprise
51	U Kyaw Ko Win	Assistant Manager	Myanma Timber Enterprise
52	U Khun Min MinHtike	Assistant Manager	Myanma Timber Enterprise
53	U Kyaw Myo Lin	Assistant Manager	Myanma Timber Enterprise
54	U Kyaw ZayYa	Assistant Manager	Myanma Timber Enterprise

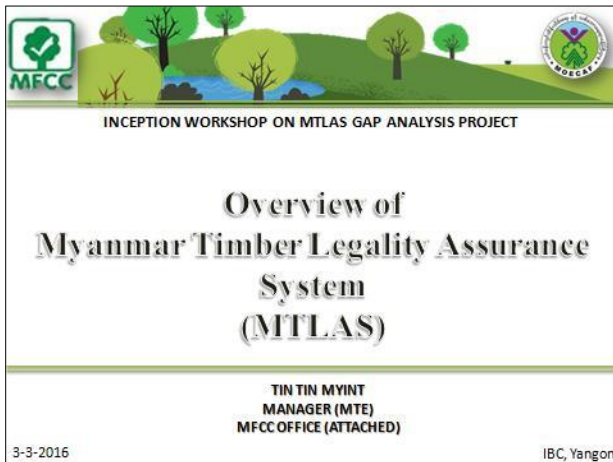
Sn. No	Name	Designation	Department
55	U Soe Win (4)	Assistant Director	Dry Zone Greening Department, Sagaing
56	U Moe Zaw Aung	Assistant Director	Dry Zone Greening Department, Mandalay
57	U Min ZawOo	Staff Officer	Dry Zone Greening Department, Magway
58	U Zaw Win	Assistant Director	Environmental Conservation Department
59	U KhinMaungTe	Assistant Director	Environmental Conservation Department
60	U KhaingTun	Staff Officer	Environmental Conservation Department
61	U MyoHtun	MD, Kaung Myanmar Aung Forestry Enterprise	MFPMF
62	U Nyan Win	President, Wood-based Furniture Association	MFPMF
63	U Wai Lwin	Secretary, Wood-based Furniture Association	MFPMF
64	U Myint Thein	CEO, Wood-based Furniture Association	MFPMF
65	U Tin Myo San	General Secretary, Myanmar Rattan & Bamboo Enterprise Association	MFPMF
66	U Thein Naing	CEC, Myanmar Rattan & Bamboo Enterprise Association	MFPMF
67	U Nay Win	MD, Tin Win Tun Company	MFPMF
68	U Tin Chain	GM, KMA Forestry Enterprise	MFPMF
69	U Kyaw Kyaw Win	General Secretary	MFPMF
70	U SoeSoeOo	EO	MFPMF
71	U Thein HtikeOo		MFPMF
72	U Ye Yint Aung	Project Assistant	MFPMF
73	U Thein NaingTun	Project Assistant	MFPMF
74	U Nyan Hlaing	AEO	National Resource Development Committee
75	U Soe Win Hlaing	Chairman	Myanmar Forest Association
76	U Win Hlaing	Advisor	FFI

Sn. No	Name	Designation	Department
77	U MyintSoeOo	Senior CF Officer	FFI
78	U Ngwe Lwin	Terrestrial Programme Manager	FFI
79	U Than Myint	Coordinator	WCS
80	Daw Thin Thiri Aung	Program Assistant	BANCA
81	Daw Yu Za Na Wai	Program Assistant	MERN
82	Mr. Richard Holloway	Advisor/ Team Leader	ECODEV/ALARM
83	U Zin Lin Tun	Forest Sector Project Officer	WWF-Myanmar
84	Mr. Philippe Mauded	GM	CONCORDE
85	U MyoZayYar Aung	CF	(Rakhine)
86	U De KhunTaung	CF	(Kachin)

INTERNATIONAL PARTICIPANTS

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2	Ms. Sofia Ryder	International Expert	FAO
3	Ms. Rachel Butler	Independent Advisor	Global Timber Forum
4	MR. Thibault Ledecp	Forest Coordinator	WWF
5	Ms. Amalia Maling	Forest Project Manager	WWF
6	Ms. SHIZUKA GROVER	Quality Assurance Coordinator	FSC
7	Mr. Hugh Speechly	FLEGT Facilitator	FLEGT -VPA
8	Dr. Marlene Buchy	FLEGT Adviser	FLEGT -VPA
9	Ms. Catriona Clunas	Entry Scheme Livelihood Advisor	DFID, Myanmar
10	Ms. BRISSONNENAU Delphine	Programme Coordinator, EU Delegation	EEAS-Yangon
11	Mr. Art Klassen	Regional Director	Tropical Forest Foundation-Indonesia
12	Mr. Richard Laity	South East Asia Projects & Development	PEFC

Annex. 4 Presentation by Dr. Tin TinMyint, MFCC

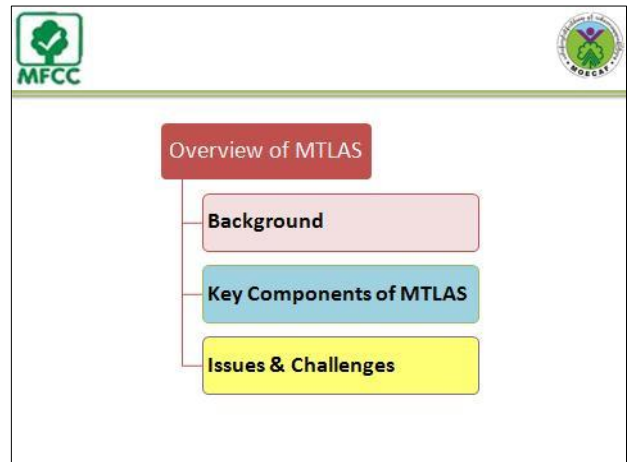


INCEPTION WORKSHOP ON MTLAS GAP ANALYSIS PROJECT

Overview of Myanmar Timber Legality Assurance System (MTLAS)

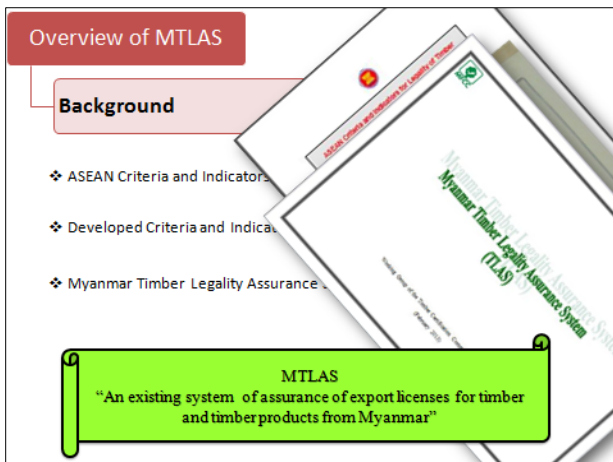
TIN TIN MYINT
MANAGER (MTE)
MFCC OFFICE (ATTACHED)

3-3-2016 IBC, Yangon



Overview of MTLAS

- Background
- Key Components of MTLAS
- Issues & Challenges

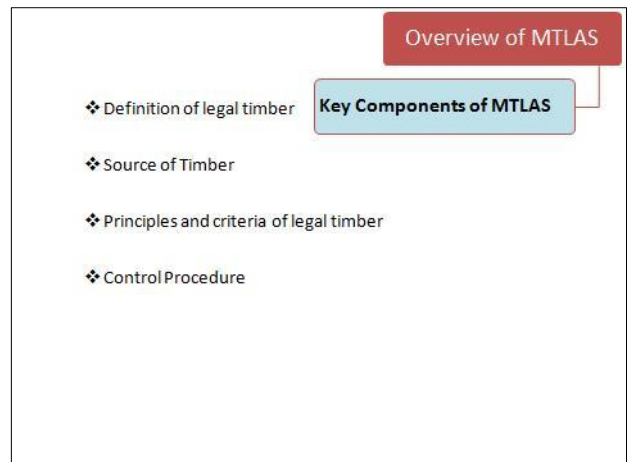


Overview of MTLAS

Background

- ❖ ASEAN Criteria and Indicators
- ❖ Developed Criteria and Indicators
- ❖ Myanmar Timber Legality Assurance System

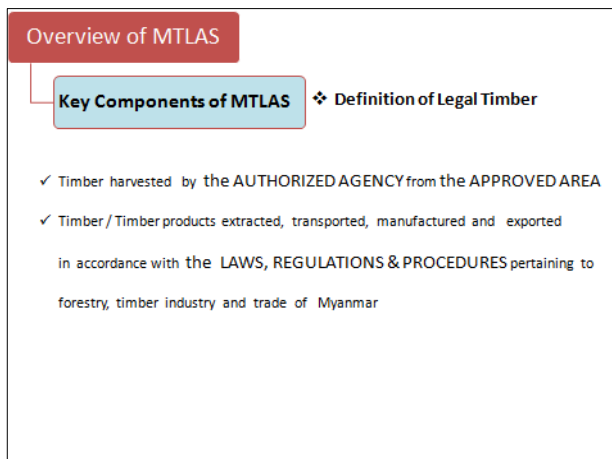
MTLAS
"An existing system of assurance of export licenses for timber and timber products from Myanmar"



Overview of MTLAS

Key Components of MTLAS

- ❖ Definition of legal timber
- ❖ Source of Timber
- ❖ Principles and criteria of legal timber
- ❖ Control Procedure

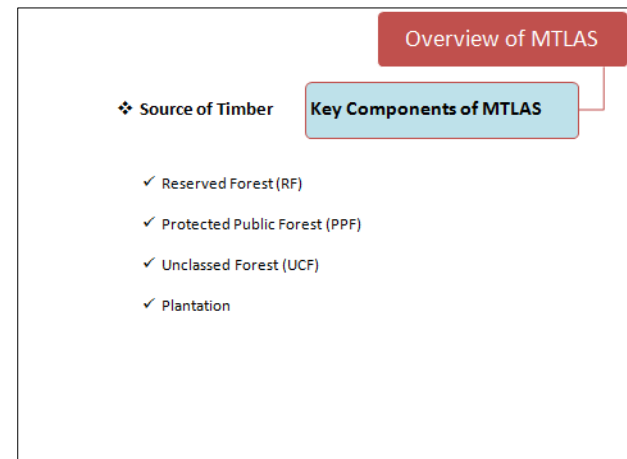


Overview of MTLAS

Key Components of MTLAS

❖ Definition of Legal Timber

- ✓ Timber harvested by the AUTHORIZED AGENCY from the APPROVED AREA
- ✓ Timber / Timber products extracted, transported, manufactured and exported in accordance with the LAWS, REGULATIONS & PROCEDURES pertaining to forestry, timber industry and trade of Myanmar

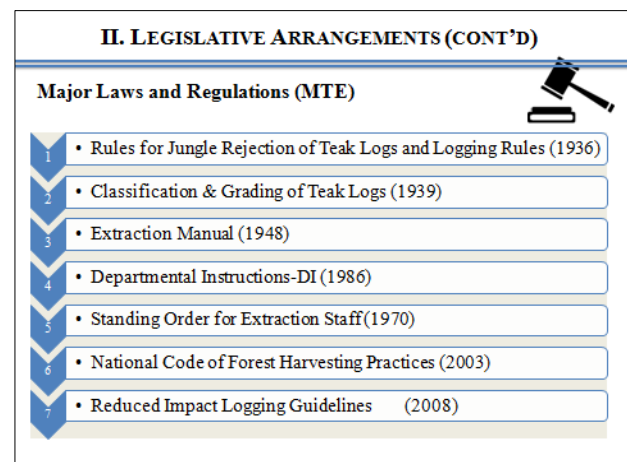
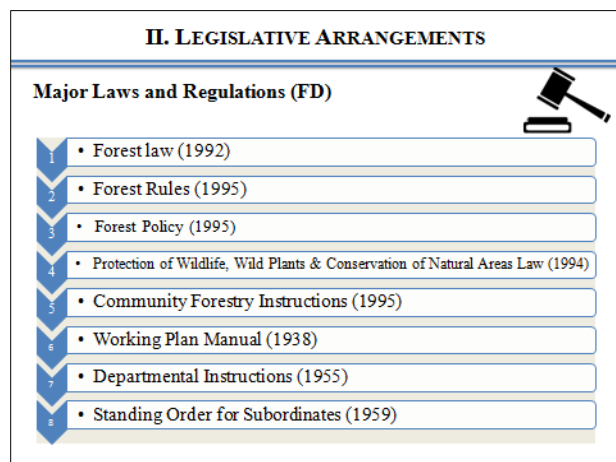
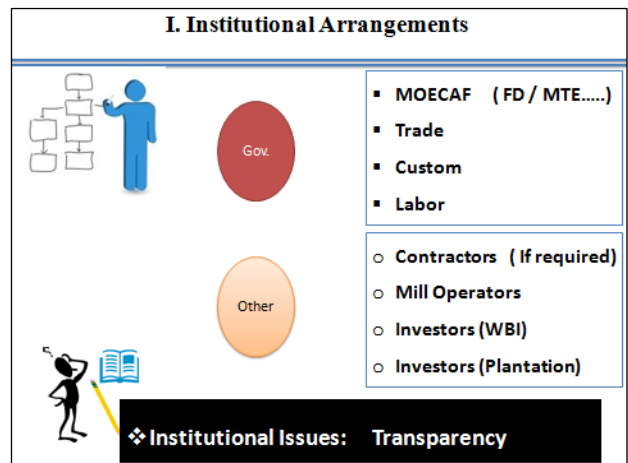
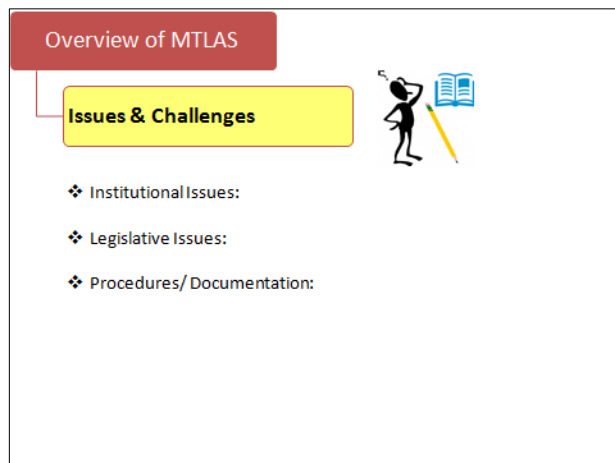
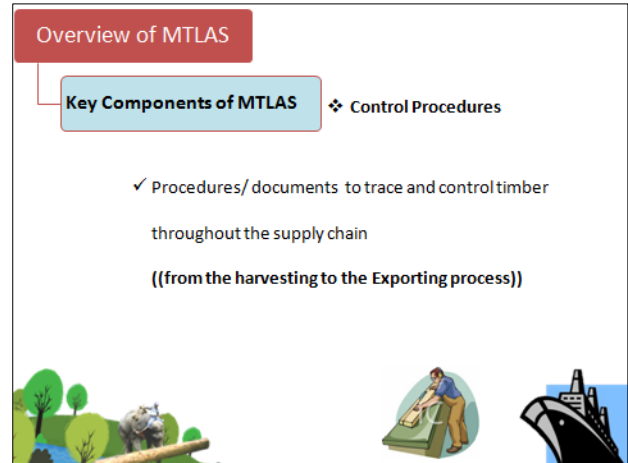
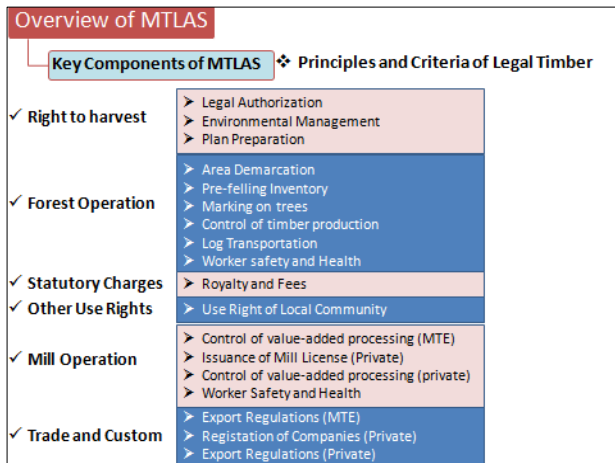


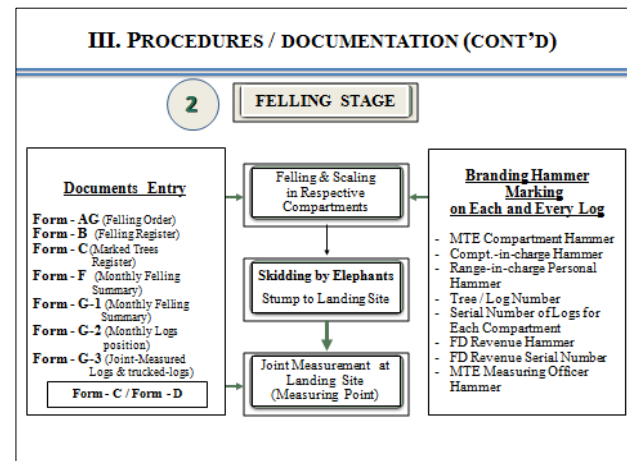
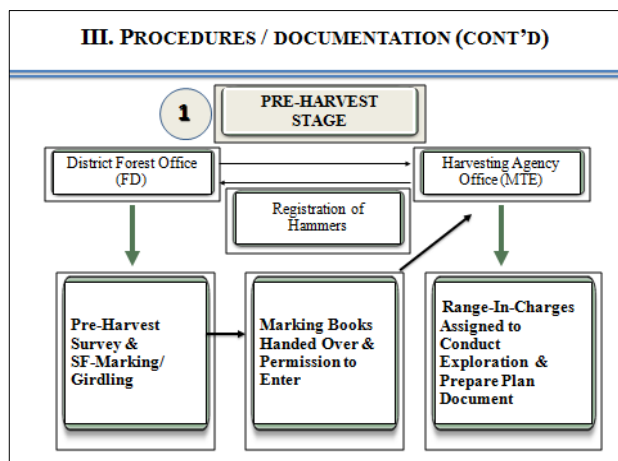
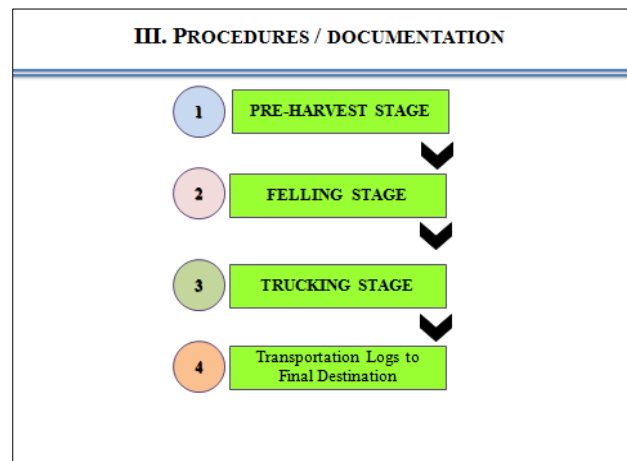
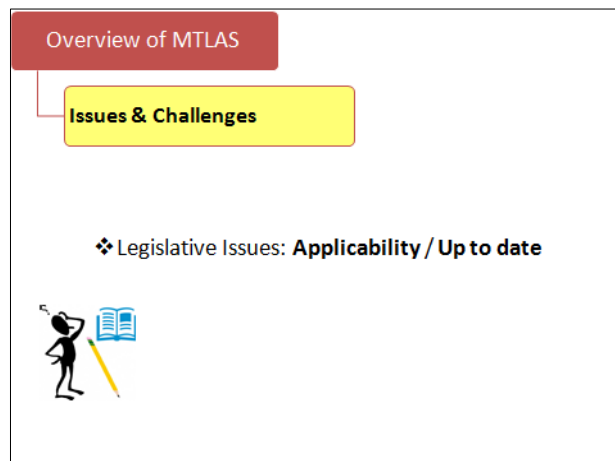
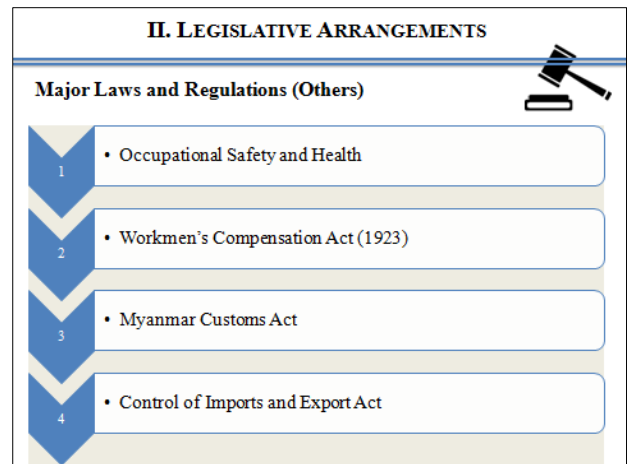
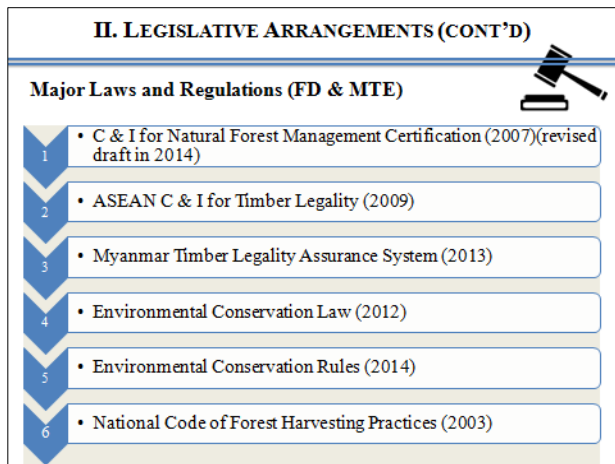
Overview of MTLAS

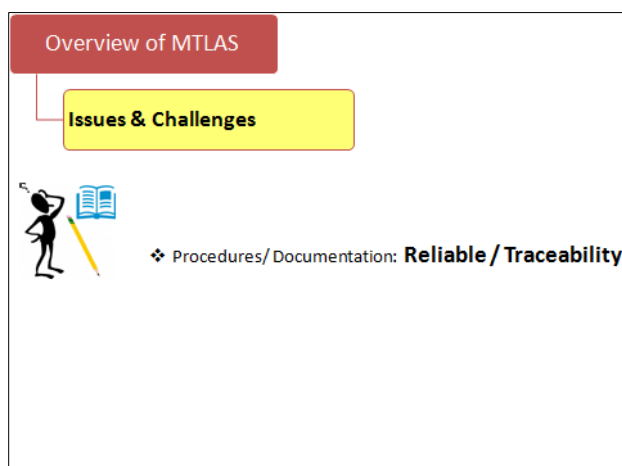
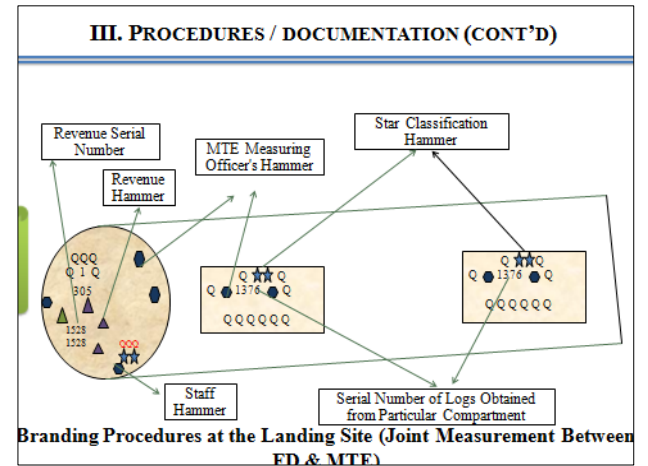
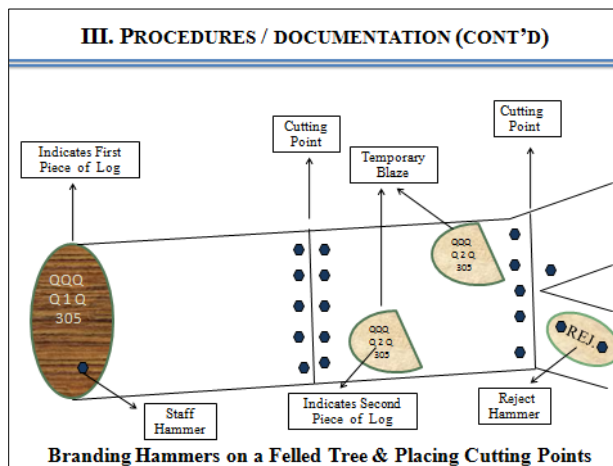
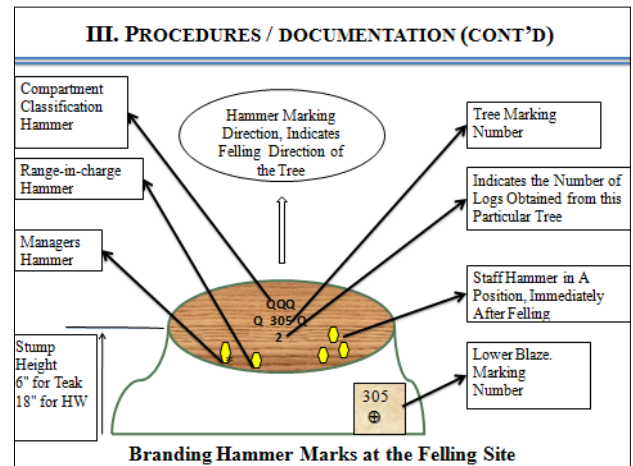
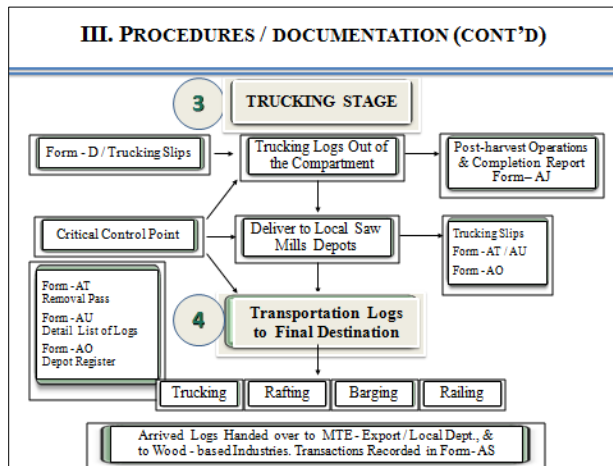
Key Components of MTLAS

❖ Source of Timber

- ✓ Reserved Forest (RF)
- ✓ Protected Public Forest (PPF)
- ✓ Unclassed Forest (UCF)
- ✓ Plantation







Annex. 5 Presentation by Mr. Hugh Speechy, FLEGT Facilitator



Strengthening Forest Governance
through

TIMBER LEGALITY ASSURANCE SYSTEMS IN VOLUNTARY PARTNERSHIP AGREEMENTS

OVERVIEW

- ✗ What is a TLAS?
- ✗ What are TLAS components?
- ✗ Examples of TLASs

WHAT IS A TLAS?

- ✗ It's a Documented **System**...
- ✗ ...to **Assure** interested parties
- ✗ ...that a **Timber** product has been **Legally** produced
- ✗ What is documented?
 - + The **why, who, how** and **when** concerning tasks are described
 - + **Checks** that tasks have been performed properly
 - + **Records** of tasks and **checks** are maintained
 - + **Regular audits** are carried out to ensure that the system is working and delivering the intended results.
- ✗ **Transparency** is essential!



TLAS COMPONENTS

- ✗ What is "legal timber"?
 - + **Legality definition**
- ✗ How do we keep illegal timber out?
 - + **Chain of custody/traceability system**
- ✗ How do we know the timber's legal?
 - + **Verification**
- ✗ How do we demonstrate that the timber's legal?
 - + **FLEGT Licensing**
- ✗ How do we know the system's working?
 - + **Independent audit**

LEGALITY DEFINITION - GENERAL

- ✗ What are **all the sources** of timber?
- ✗ What are the **laws, regulations and rules** that affect forests and the timber trade?
- ✗ What are the **rights and obligations** prescribed by these rules and regulations?
- ✗ What are **customers' expectations** of product coverage and legality issues (e.g. EUTR, Lacey...)?

LEGALITY DEFINITION - COVERAGE

- ✗ Timber harvest and land use rights
- ✗ Tenure and use rights affected by forest management
- ✗ Forest management including -
 - + Pre-harvest, logging, post-harvest regulations
 - + Environmental legislation
 - + Labour, health & safety regulations
- ✗ Timber transport regulations
- ✗ Timber processing regulations
- ✗ Taxes, import-export duties, royalties and fees, fines
- ✗ Trade and export regulations

LEGALITY DEFINITION – TYPICAL ISSUES

For a VPA ...

- Definition **must** be agreed through an **inclusive multi-stakeholder process**
- **Typical issues to debate include:**
 - How is land use zoning decided (e.g., reclassification of permanent forest)?
 - What is the evidence of correct process?
 - How is allocation of land and timber rights decided/granted?
 - What conditions are attached to rights?
 - Who checks whether inspections have been carried out correctly?
 - Are any laws/regulations/rules inconsistent?
 - Are there activities in the supply chain not covered by laws, regulations or rules?
 - Are any laws/regulations/rules illogical or unfair?
 - ...etc.



CHAIN OF CUSTODY

- ✓ “Ensures that no timber that hasn’t been legally verified enters the supply chain”



CHAIN OF CUSTODY

- ✗ How are areas for timber harvest identified? On maps? On the ground?
- ✗ How are trees to be felled identified and measured?
- ✗ How are logs measured and marked?
- ✗ How is revenue assessed?
- ✗ What identity follows logs from stump to mill?
- ✗ Where are checkpoints located?
- ✗ What happens at checkpoints?
- ✗ Are “critical control points” identified?
- ✗ How is log identity reconciled between stages?
- ✗ What records are kept at each stage?
- ✗ Who audits them?
- ✗ What happens when inconsistencies are detected?
- ✗ What safeguards are in place to prevent document tampering and fraud?
- ✗ What records of payment between actors in the chain are kept?
- ✗ Who checks their accuracy?
- ✗ What checks are made in mills to verify input/output conversion factors?
- ✗ What are opportunities to adopt tracking electronic systems?

VERIFICATION

- ✗ Who is responsible for **implementing** the laws/regulations/rules?
- ✗ Who is responsible for **checking compliance**?
- ✗ **What checks** are carried out? **How often**?
- ✗ What is the **evidence** that checks have been carried out?
- ✗ What is **evidence of compliance**?
- ✗ What happens when **non-compliance** is detected?
- ✗ What happens when there’s evidence that checks haven’t been carried out correctly?



FLEGT LICENSING

- ✗ Who is responsible for export licensing?
- ✗ What documents are required to issue export licenses?
- ✗ How is the licensing decision made based on verification/CoC evidence?
- ✗ Who holds licence copies?
- ✗ What is the role of customs?
- ✗ Who is the contact person (for EU authorities) concerning licensing?
- ✗ What are the protocols for communication between the licensing authority and the EU competent authorities?



LICENSING ALTERNATIVES

- ✗ **Shipment based:**
 - + Authority inspects evidence for individual shipments and issues licence
 - + Suitable for high-value, low-volume exports
- ✗ **Operator based:**
 - + Authority audits exporter’s systems periodically and issues licences based on confidence that system is working
 - + Suitable for low-value, high-volume exports
- ✗ **Hybrid systems possible**

INDEPENDENT AUDIT

- ✦ Qualified body^{4/} that has no links to supply chain actors (operators or verification authorities)
- ✦ Checks...
 - + That documented system as agreed is being implemented
 - + That system is effective in ensuring only legal timber being licensed
- ✦ Reports to Government and the VPA Joint Implementation Committee (JIC)
- ✦ Report is made public

^{4/} Meets the requirements of ISO/IEC Guide 65 and ISO/IEC 17021, or equivalent

TLAS OVERVIEW



TLAS “GO-LIVE” DECISION

- ✦ When system fully developed and operational...
 - + Independently assessed to check all functions in place and working
 - + Repeated until problems resolved
 - + When satisfied JIC agrees “go-live” date
 - + Annex to FLEGT Regulation amended to include:
 - name of partner country
 - list of products covered by VPA
 - + Only licensed products will be allowed entry to EU
 - + All licensed products meet EUTR requirements
- + EU authorities may question validity of a licence, but not whether licensing decision was correct



EXAMPLE: GHANA



- ✦ Adapted paper-based existing control and export licensing systems
- ✦ Created new Timber Validation Department within Forest Commission
- ✦ Engaged service provider to develop an electronic tracking system
- ✦ Engaged SCS as independent auditor

EXAMPLE: INDONESIA



- ✦ New system: “Sistem verifikasi legalitas kayu” (SVLK)
- ✦ Private sector “Conformity Assessment Bodies” accredited by National Accreditation Body (KAN)
- ✦ Operators must have legality certification (“V-legal” certificates issued by audit bodies) to trade
- ✦ License Information Unit in the Ministry of Environment and Forestry issues FLEGT licences to operators with V-Legal certificate, through online system (SILK)
- ✦ Civil society organisations have *formal monitoring role* and authorised to solicit information from operators, Ministry of Forestry and KAN
- ✦ “Periodic Evaluation” by independent auditor
- ✦ “Go-live” likely 2016



EXAMPLE: LIBERIA



- ✦ Two new departments established in Forest Development Authority:
 - + Legality Verification Department (LVD)
 - + Legality Licensing Department (LLD)
- ✦ LVD outsourced to private firm (SGS) on a “Build-Operate-Transfer” basis
 - + Covers all aspects of verification and chain of custody:
 - + New electronic data management system (“LiberTrace”)
 - + Revenue assessment and invoicing on behalf of Government
- ✦ LLD will issue licences for shipments that are in compliance with verification and CoC checks



Thank you...
Any questions?

Annex. 6 Presentation by Mr. Hugh Speechy, FLEGT Facilitator

Timber Legality Assurance Systems: Assessments in VPA processes

Hugh Speechy
FLEGT Facilitator

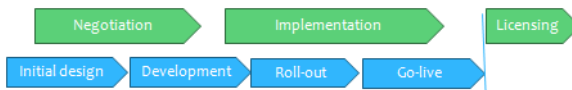


Why are assessments needed?

- * To check that the proposed system **provides assurance** that licensed timber products have been legally produced
- * To identify **needs for improvement** and prepare an **action plan** to address those needs
- * To assess **institutional capacity** to implement proposed system, including need for financial support

Assessment Timing

1. At initial draft TLAS design or proposal
2. At stages as TLAS is being developed and rolled out operationally
3. To assess readiness for “go-live” in FLEGT licensing



Assessment Types

- * **Where most TLAS elements exist:**
 - * Assessment should include both document review and field assessment
- * **Where new TLAS is proposed but not yet operational:**
 - * Documentation likely to be limited to concept with few procedures defined
 - * Assessment can only be paper-based
 - * Initially only logical structure can be evaluated
- * **Where some TLAS elements are in place** (e.g. chain of custody) but others (e.g. new responsibilities) are yet to be implemented:
 - * Existing elements can be assessed with some field checks

Example: Indonesia

- * New system: SVLK – initial design took 7 years starting with legality definition, then building system based on certification model – little interaction with EU during this period
- * After negotiations started, SVLK elements refined through series of Joint Expert meetings “JEMs”
- * Design was modified after conclusion of negotiations to address small forest owners’ situation
- * Final assessment carried out in 2 stages – Action Plan prepared to address identified issues
- * Assessments results reported to the Joint Implementation Committee and public summary prepared

Example: Malaysia

- * Different TLASs proposed for each of the 3 separate federal jurisdictions (Peninsular, Sabah, Sarawak)
- * Based on current regulatory systems
- * Initial assessment carried out by Joint Expert Team early in negotiations
- * Findings tabulated in action plan to address gaps
- * Progress in implementing plan reviewed in Technical Working Group sessions and JEMs.

Example: Ghana




- * TLAS based on existing paper-based regulatory system
- * Addition of new “Timber Validation Department” within Forestry Commission
- * Engagement of contractor to build new IT CoC system – review showed that pilot system design didn’t meet requirements
- * New contractor engaged through competitive tender and new IT system developed and retested
- * TLAS assessment identified need for strengthening capacity to use system within existing FC structure.



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Any questions?

Annex. 7 Presentation by Ms. Rachel Butler, Executive Director of GTF




International Market Requirements Overview

Rachel Butler
Executive Director




International Illegal Logging Policies & Laws


- Broad range:
 - Company policies e.g. IKEA
 - Public Procurement e.g. EU Member State Procurement Policies
 - Green Building Codes e.g. US
 - Illegal Logging Regulations, EU Timber Trade Regulation, US Lacey Act, Australian Prohibition
- Biggest impact: Regulations!



USA, Europe & Australia Illegal Logging Regulations are broadly aligned...


The liability on the domestic harvester or importer






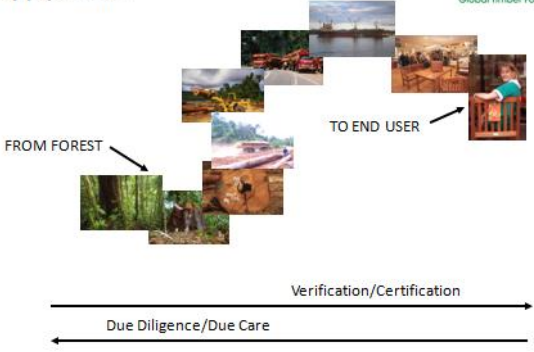
Illegal Logging Laws:

- Focus on legality in country of harvest
- Prohibits import or selling of illegal timber/forest products
- Creates obligation to question the legality of the supply chain






Buyers & producers need to know their supply chains



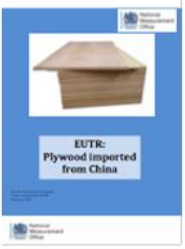

FROM FOREST → TO END USER

Verification/Certification

Due Diligence/Due Care



Examples of Enforcement

Certification & Verification



- A company still needs to carry out due diligence



- Certification and legality verification **not automatically compliant**; tool to be used as evidence of risk mitigation



- Only exemption;
 - EUTR exempts operators to undertake due diligence on FLEGT Licensed timber

Market Rewards



- Legality = market access
- Sustainability = market value
- Products sell!!

Changing Tropical Markets...?!



Contact

rachelbutler@gtf-info.com

Annex. 8 Presentation by Ms. Sofia Ryder, International TLAS Expert

MTLAS Gap Analysis Framework

Sofia Ryder
3rd March 2016

A gap analysis to review MTLAS

- MTLAS is a **standard** developed in response to ASEAN market integration objectives and in line with the ASEAN C&I for Legality of Timber.
- Since the MTLAS was first developed, Myanmar has engaged in a VPA agreement process with the EU.
- There is now an opportunity for Myanmar to evaluate their MTLAS against existing frameworks and best practices as a **capacity building exercise** and identify possible areas for **strengthening MTLAS** e.g. in response to ASEAN and VPA commitments and/or to strengthen industry and market performance.

What is Myanmar's objective in developing the MTLAS?

Some options include:

- Meet market requirements (e.g. EUTR, Lacey, Australian Prohibition Act, ASEAN)
- Improve forest governance towards legality and sustainability (e.g. VPA, voluntary certification)
- Demonstrate good forest management (e.g. voluntary certification)

Existing frameworks

A number of frameworks exist as a reference for the review MTLAS. For example:

- Guidance for TLAS's developed under **FLEGT Voluntary Partnership Agreements (VPA)**
- **ASEAN C&I for Legality of Timber**/regional framework for a phased approach to certification
- **Forest Certification** standards and systems
- **Private and Public Timber Procurement** requirements

These contain some basic elements that can be used to evaluate MTLAS and to identify areas for its further development.

Elements of a (Timber Legality) Assurance System

- **Definition** of legally produced timber (standard)
- Mechanisms for **control of the supply chain**
- Means to **verify** the standard requirements
- Issuing of a certificate or license
- **Monitoring/oversight**

Other key elements for positive impact

- **Rigor** – e.g. assessment gives an **accurate picture** of compliance
- **Engagement** - e.g. balanced and representative stakeholders (standards, assurance and monitoring)
- **Impartiality** – e.g. systems identify and mitigate Conflict of Interest
- **Transparency** e.g. information is freely available -standard, governance, evaluation
- **Accessibility**- e.g. minimize costs and overly burdensome requirements
- **Truthfulness** – e.g. claims are verifiable, not misleading, enable informed choice
- **Efficiency** e.g. systems refer or collaborate with other credible schemes to improve consistency and efficiency in content and operating practice

Standard/definition of legal timber

Based on a set of overlying principles or guidelines objectives - interpreted through a national stakeholder process.

For example:

- **FLEGT VPA** process: defined through a stakeholder process & **5 legality criteria**
- **ASEAN**: **6 key criteria** and indicators of legality
- **FSC**: Principle 1 compliance with laws and FSC Principles inc. laws, regulations, treaties, conventions and agreements

The MTLAS gap analysis framework will review MTLAS's definition and associated criteria as well as the process for its development.

Control of the supply chain (chain of custody)

- **Effective control of timber, reconciliation of quantities, exclusion of non compliant sources** key consideration

For example:

- **FLEGT VPA**: Principles and criteria for control of the supply chain
- **ASEAN**: Guidelines for Chain of Custody of Legal Timber
- **Voluntary Certification**: Chain of Custody Standards

The MTLAS gap analysis framework will review MTLAS's system for control of the supply chain.

Verification process

Independence, competence, documented systems, resources, mechanisms to avoid **conflict of interest** are key considerations.

Examples:

- **FLEGT VPA**: By government agencies, market participants or third party organization.
- **FSC/FSC/ASEAN**- Certification bodies in accordance with ISO/IEC Guide 65: 1996 [ISO/IEC 17021:2006](#) and specific scheme requirements

The MTLAS gap analysis framework will review verification mechanisms for MTLAS.

(NB ISO 65 is now replaced by ISO/IEC 17065: 2012)

Monitoring/Oversight

Competence, transparency and independence are important considerations.

For example:

- **FLEGT VPA**: Third-Party Monitor/Independent audit
- **ASEAN**: Carried out by accreditation bodies operating in conformance with ISO/IEC 17011:2004 or equivalent.
- **PEFC**: National accreditation bodies operating in compliance with [ISO/IEC 17011:2004](#). Accreditation bodies are members of the International Accreditation Forum (IAF).
- **FSC**: Accreditation Services International (ASI) accreditation body for sustainability standards systems. Member of the global association for social and environmental standards, the [ISEAL Alliance](#).

The MTLAS gap analysis framework will review the oversight mechanisms for MTLAS.

Engagement in standards and systems development

- Standards/system developers engage a **balanced and representative group of stakeholders** in standards/systems development.
- Systems provide meaningful and accessible opportunities to **participate in governance, assurance and monitoring and evaluation**.
- They **empower stakeholders with fair mechanisms to resolve complaints**.

(ISEAL code of good practice for standards setting (V-6 Dec 2014)).

MTLAS Gap Assessment: Next Steps

1. Establish a **core group** to support finalization of the gap analysis framework
2. Review of MTLAS against the framework (desk review and field visit)
3. Present findings for consideration of options going forward

Thank you.
Questions?

Annex. 9 Presentation by U Barber Cho, Secretary of MFCC

Inception Workshop on MTLAS Gap Analysis Project

Methodology Review and Discussion

3rd March 2016, IBC, YANGON

Introduction

- Dr Tin Tin Myint explained The Existing TLAS in Myanmar
- Mr. Huge Speechly explained The General Aspect of VPA TLAS and Lessons Learned
- Ms. Sofia, International Expert, explained the Framework for Gap Analysis
- Ms. Rachel explained The International Market Requirement

The Knowledge you gained from the above presentation will help you to review the methodology.

1. Background

The Myanmar Timber Legality Assurance System (MTLAS) was developed in response to ASEAN market integration objectives. Timber is one of the key “integration” commodities and ASEAN Criteria and Indicators for Legality of Timber were developed to guide the development of consistent Timber Legality Assurance Systems across the region. The current version of the MTLAS includes a national legality standard covering 6 Principles and 15 Criteria. The aim of the MTLAS is to underpin the issuance of Licenses, Permits or Certificates guaranteeing the legality of timber exports.

1. Background (Continued)

- In 2014, the MFCC submitted a proposal to the FAO-FLEGT to strengthen the current Myanmar Timber Legality Assurance System (MTLAS).
- Since then, Myanmar officially engaged in a Voluntary Partnership Agreement (VPA) process with the EU.
- The FLEGT-VPA Inception Workshop held in January 2015 marked the beginning of a VPA Preparatory Phase. A FLEGT-VPA Interim Task Force (ITF) with equal and self-selected representation for government, private sector and civil society, was identified during the January workshop as an appropriate governance structure to guide activities to be implemented during the VPA Preparatory Phase.

Background (Continued)

The current MTLAS is different from a TLAS as defined and developed in the context of a VPA. FAO-FLEGT support was therefore adapted to allow the originally envisaged gap analysis to contribute to the multi-stakeholder dialogue initiated through the FLEGT VPA process and to inform the development of a VPA-TLAS. The beneficiaries of the FAO-FLEGT include both MFCC and ITF members and the duration of FAO's support will roughly coincide with the VPA Preparatory Phase.

2. Objective and Expected outputs:

- Current MTLAS assessed and gaps identified against an agreed Gap Analysis Framework (initial draft in Annex I) derived from internationally accepted legality and traceability principles/requirements and assurance systems;
- Gaps in the MTLAS coverage against the full range of timber sources (Natural & planted forests) and products existing in Myanmar forest sector are identified;
- Gaps between the current MTLAS requirements and the level of implementation and compliance in selected FMUs/districts are identified
- Recommendations for further development of the MTLAS in the context of a VPA and/or to meet international best practice and market requirements (ASEAN, EUTR, Lacey Act, AILPA).

3. Gap Analysis Methodology

Members of the Consultative Group

ORGANISATION	Number
National	
Myanmar Forest Certification Committee Chairman (As Chairman)	1
MFCC Members	17
FLEGT Interim Task Force Members	24
Forest industry Representative of Labour Union/association.	1
National NGOs (MFA, FREDA, ECCDI?)	3
Others*	2
International observers	
EU Delegation	1
DFID	1
Food & Agriculture Organisation of the UN	2
European Forest Institute	2
Global Timber Forum	1
International NGO (WWF, FFI, RECOFTC?)	3

3.1 Inception Workshop

- The draft MTLAS Gap Analysis Methodology will be discussed and further refined during an inception workshop attended by the MFCC Project Consultative Group. **(The draft Methodology will be circulated to all members of the Consultative Group prior at least 1 week to the Inception workshop.)**
- This initial workshop will include presentations on internationally accepted legality and traceability principles/requirements and assurance systems (including VPA-TLAS), examples of relevant assessment frameworks (Annex II), examples of assessments of VPA-TLAS (Malaysia, Indonesia, Liberia CoC) and a consolidated draft of the Gap Analysis Framework (Annex I) developed by the International Expert.
- During the Inception Workshop, members of the Consultative Group will identify a Core Team of maximum 10 members who will guide and supervise the work of the International and National Experts undertaking the MTLAS Gap Analysis.
- The Core and Expert Teams will consolidate the MTLAS Gap Analysis Framework based on comments and guidance received from workshop participants.

3.1 Inception Workshop (Continued) - Core Team Structure

1	Secretary of MFCC as Team Leader	1
2	ITF	3
3	Government (those from inline Ministries)	2
4	CSO (CF or Grassroot, etc., just for consideration)	1
5	Private(Sector/Region)	1
6	Professional NGOs (FREEDA/ECCDI/MFA)	1
7	MFCC Member/Labour Association/Union, etc	1
	Total	10

3.2 Desk Review

The Expert Team will conduct a desk review of the MTLAS against the final Gap Analysis Framework to identify whether certain principles are not covered by the current MTLAS Criteria and Indicators. The desk review will be used to identify legal and regulatory references to document how MTLAS Indicators are verified (required documents and procedure for verification of legal compliance). The analysis will be conducted for the full range of forest types, timber sources and products existing in the Myanmar forest sector in order to identify possible gaps in MTLAS coverage or scope. In addition, the desk review will look at what exists or is planned under the current MTLAS in terms of:

- Licensing or issuance of certificates demonstrating compliance with MTLAS;
- System monitoring;
- Level of transparency and mechanisms to ensure transparency.

3.3 Field Survey Trip

The Core Team will conduct an Expert led field review to assess the level of implementation of and compliance to the MTLAS requirements identified during the desk review and to identify best practices exceeding MTLAS requirements and/or procedures/protocols making more explicit how requirements are complied with, etc. The field review will also assess whether the implementation of the MTLAS as a system could ensure legality and traceability leading to the issuance of licenses or certificates.

3.3 Field Survey Trip (Continued)

The selection of FMUs and wood-based mills for the Field Review will be done by the Core Team in consultation with the Expert Team and should enable the group to verify current practice. It is recommended (based on available budget and costs) to select two FMUs which are representative of the current level of law enforcement and legal compliance in Myanmar and covering a wide range of timber sources and products.
(Advice and Cooperation from FD will be very important)

3.4 Study Tour to Indonesia

The Core Team will undertake a study to Indonesia to learn about SVLK development and implementation as part of the VPA negotiations and implementation. The visit will include exchanges with different stakeholder groups to gain a wider understanding of their roles and experiences and visits to different types of SVLK certified units and operations along the supply chain. This exposure will inform the consolidation of the MTLAS Gap Analysis and discussions about next steps (see final workshop).

3.5 Final Consultation Workshop and identification of next steps

- The Core and Expert Teams will compile a consolidated MTLAS Gap Analysis report based on the results and observations of the field review.
- This consolidated or final MTLAS Gap Analysis report will be shared with all members of the Consultative Group ahead of the Final Consultation Workshop.
- The final workshop report will identify the possible next steps on how to further develop the MTLAS in the context of a VPA or not.

Institutional Clarification

- **In principle, VPA Negotiation will be done between EU and Myanmar Negotiation Team led by the Government but mandated by MSG(Multi-Stakeholders Group - Government, Private and CSO).**
- **MFCC, as a technical organization, will provide MTLAS, which is strengthened by this project, to Negotiation Team/MSG.**

DISCUSSION

DISCUSSION