



## Asia-Pacific Forestry Week

Stream 4: New institutions, new governance



# **Emerging governance mechanisms in ASEAN: Supporting improved quality infrastructure for forest sector legality and sustainability initiatives**

**24 February 2016**

# Association of Southeast Asian Nations (ASEAN)

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- Brunei Darussalam
- Cambodia
- Indonesia
- Lao P.D.R.
- Malaysia
- Myanmar
- Philippines
- Singapore
- Thailand
- Viet Nam

The Association of Southeast Asian Nations (ASEAN) was established on 8 August 1967 in Bangkok, by Indonesia, Malaysia, Philippines, Singapore and Thailand. Brunei Darussalam joined the Association on 8 January 1984. Vietnam became the seventh member of ASEAN on 28 July 1995. Lao P.D.R. and Myanmar were admitted into ASEAN on 23 July 1997, and Cambodia on 30 April 1999.

## ASEAN Vision 2020

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"We will create a stable, prosperous and highly competitive ASEAN Economic Region in which there is a free flow of goods, services and investments, a freer flow of capital, equitable economic development and reduced poverty and socioeconomic disparities..."

"...to enhance food security and international competitiveness of food, agriculture and forest products to make ASEAN a leading producer of these products and to promote the forestry sector as a model in forest management, conservation and sustainable development..."

# ASEAN 2025: Forging Ahead Together

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- AEC by 2025:

*"highly integrated and cohesive; competitive, innovative and dynamic; with enhanced connectivity and sectoral cooperation; and a more **resilient, inclusive, and people-oriented, people-centred community, integrated with the global economy.***

## AEC Blueprint

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- ASEAN Economic Community Blueprint, endorsed by ASEAN Leaders in 2007 calls for actions to:
  - Strengthen efforts to combat illegal logging;
  - Promote collaborative research and transfer of technology in forest products; and
  - Develop a regional reference framework on phased approach to forest certification
- ASEAN Consultative Committee on Standards and Quality (ACCSQ) aims to reduce technical barriers by harmonising standards and technical rules

# Vision and SP for ASEAN Cooperation in FAF (2016-2025)

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- Strategic Thrust 1: *Enhance quantity and quality of production with sustainable, 'green' technologies, resource management systems, and minimise pre- and post-harvest losses and waste*
- **Strategic Thrust 2: Enhance trade facilitation, economic integration and market access**
- Strategic Thrust 3: *Ensure food security, food safety, better nutrition and equitable distribution*
- Strategic Thrust 4: *Increase resilience to climate change, natural disasters and other shocks*
- **Strategic thrust 5: Assist small scale producers and SMEs to improve productivity, technology and product quality, to meet global market standards and increase competitiveness in line with the ASEAN Policy Blueprint on SME Development**
- **Strategic Thrust 6: Strengthen ASEAN joint approaches on international and regional issues**
- **Strategic Thrust 7: Promote sustainable forest management**

## Vision and SP for ASEAN Cooperation in FAF (2016-2025)

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### **Strategic Thrust 2: Enhance trade facilitation, economic integration and market access**

- **Harmonize accreditation, inspection and certification so that uniform requirements will prevail ASEAN-wide, enabling the recognition of equivalence.**
- Involve the private sector in identifying priority products for harmonisation of standards and regulations to focus scarce scientific and technical resources on high pay-off products.
- Established business linkages among the potential agricultural cooperatives and farmers organisation.
- Enhance cooperation to prevent illegal activities (eg. illegal logging and non-timber forest products (NTFP) harvesting; Illegal, Unreported, and Unregulated (IUU) fishing) and promote sustainable use of natural resources, so as to establish an eco-friendly reputation for ASEAN origin products to improve market access.







## Asia-Pacific Forestry Week

Stream 4: New institutions, new governance



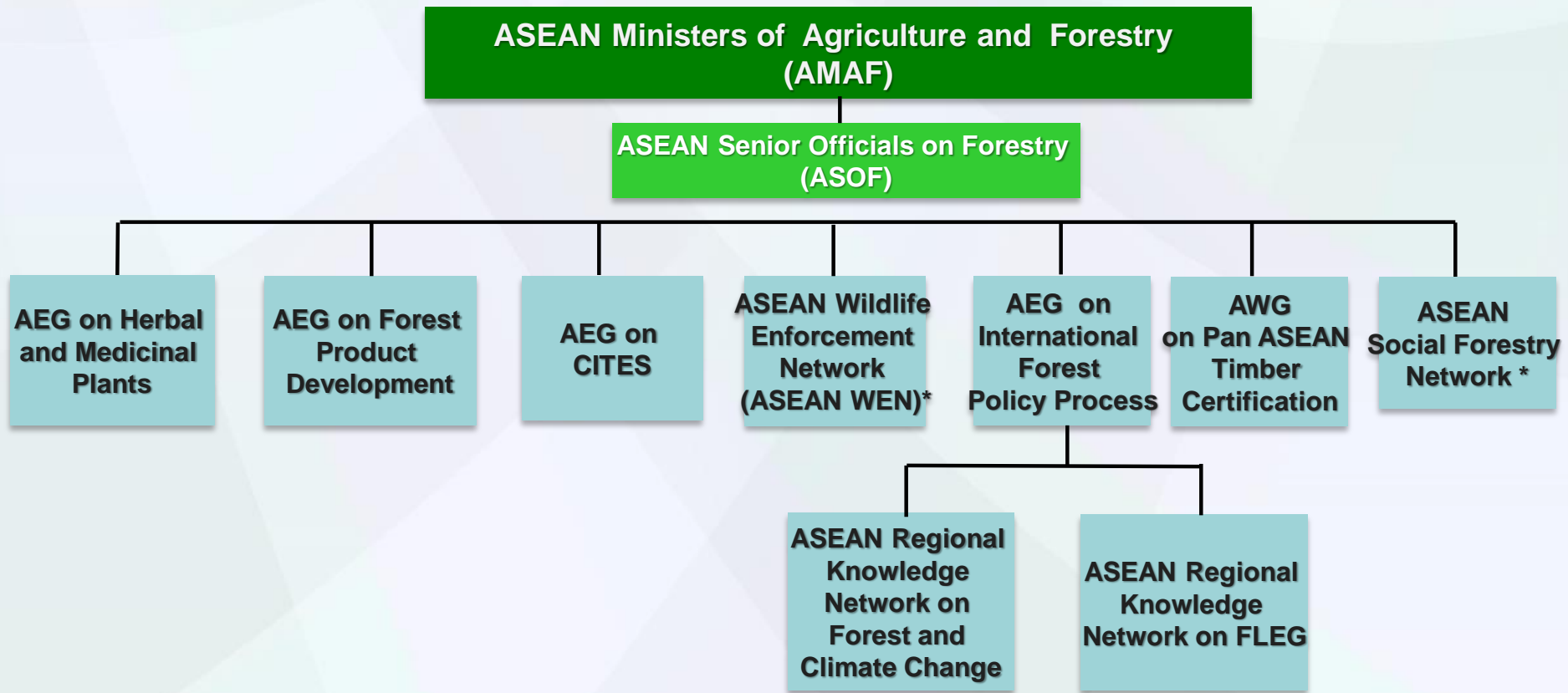
# Initiative on Forest Certification in ASEAN

# ASEAN Sectorial Body Responsible for Forestry

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# Structure of ASEAN Cooperation in Forestry



*Note: the above structure will be changed following the Streamlining of WGs under ASOF*

# Formation of Working Group on a Pan ASEAN Timber Certification Initiative

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- 5<sup>th</sup> Meeting of the ASEAN Senior Officials on Forestry (ASOF), July 2002 agreed to establish *Ad-hoc* Working Group on a Pan ASEAN Timber Certification Scheme
- 10<sup>th</sup> Meeting of the ASOF, July 2007 approved and formalised the “Working Group on a Pan ASEAN Timber Certification Initiative (WG-PATCI).”
- Responsibilities of the WG-PATCI include:
  - develop a regional framework on phased-approach to forest certification, which covers key elements of a phased-approach to forest certification
  - address the key criteria and indicators of sustainable forest management, while ensuring minimum requirements to verify legal origin of timber in developing the above regional framework
  - facilitate and support the development and implementation of national certification programmes in ASEAN Member States

# Documents Developed by the WG-PATCI



## ASEAN GUIDELINES ON PHASED APPROACH TO FOREST CERTIFICATION (PACT)

### 1. Background

The enabling conditions and the situation in the context of forest certification within ASEAN member states vary significantly. This is recognized as the underlying reason to establish guidelines for a phased approach to forest certification (PACT) for ASEAN member states. Such guidelines will become a basis for implementing a step-by-step process to achieve sustainable forest management (SFM) within the member states.

Discussions on the development of guidelines for a phased approach to forest certification have taken place at several meetings of the Working Group on a Pan ASEAN Timber Certification Initiative. The 4<sup>th</sup> Meeting of the Working Group in Manila in December 2004 agreed that development of the ASEAN Guidelines on a phased approach to forest certification should include: i) minimum requirements to verify timber of legal origin as an initial step of a phased approach as part of SFM certification; and ii) key elements of a phased approach to forest certification in ASEAN member states. The principles and elements needed for such an approach would be transparency, acceptability, equitability, comparability, incentives and disincentives, and public consultation. An additional principle should also be included, namely that a certificate will not be issued during a phased approach process to avoid confusion with SFM certification. Various aspects should also need to be considered, specifically the economic, environmental and social aspects.

The goals of developing the guidelines are: i) to build common understanding on the benefits of development and implementation of a phased approach to forest certification; and ii) to provide guidance (framework) for each ASEAN member state on the establishment and implementation of their own scheme of phased approach to forest certification. Such a framework will be practical to identify credible schemes being implemented in each ASEAN member state. The presence of such a framework should encourage further collaboration among ASEAN member states towards sustainable forest management in the region.

### 2. Definition

A Phased Approach to Certification (PACT) program comprises a series of planned actions that will have to be carried out by the Forest Management Units (FMUs) with the purpose to conform to the standards of performance required by a certification scheme and verified by an independent body (third party).

### 3. Requirement of credibility

Requirement of credibility which applies to a certification scheme (i.e. transparency, impartiality, independence, competency and absence of conflict of interests in the work of auditors) should also be valid for the phased approach.

## ASEAN Guidelines on Phased Approach to Forest Certification



## ASEAN Criteria and Indicators for Legality of Timber

### BACKGROUND

At the 13<sup>th</sup> ASEAN Summit held in Singapore on 20 November 2007, the **ASEAN Economic Community Blueprint** was endorsed, which provides ASEAN Member States with a single reference point for ASEAN economic initiatives. As for the forestry sector, the Blueprint outlines that a regional reference framework on a phased approach to forest certification shall be developed by 2015. In this context, the **Working Group on a Pan-ASEAN Timber Certification Initiative** has been operating since 2002. The Group's main objective is to encourage coordination and cooperation among the ASEAN Member States in their efforts to implement credible forest certification.

The Working Group's new **Terms of Reference**, agreed at its 7<sup>th</sup> Meeting in Myanmar in April 2008, further outline that the regional reference framework shall address the key criteria and indicators of Sustainable Forest Management (SFM), while ensuring minimum requirements to verify legal origin of timber. The presence of such a framework shall encourage further collaboration among ASEAN Member States towards promoting SFM in the region.

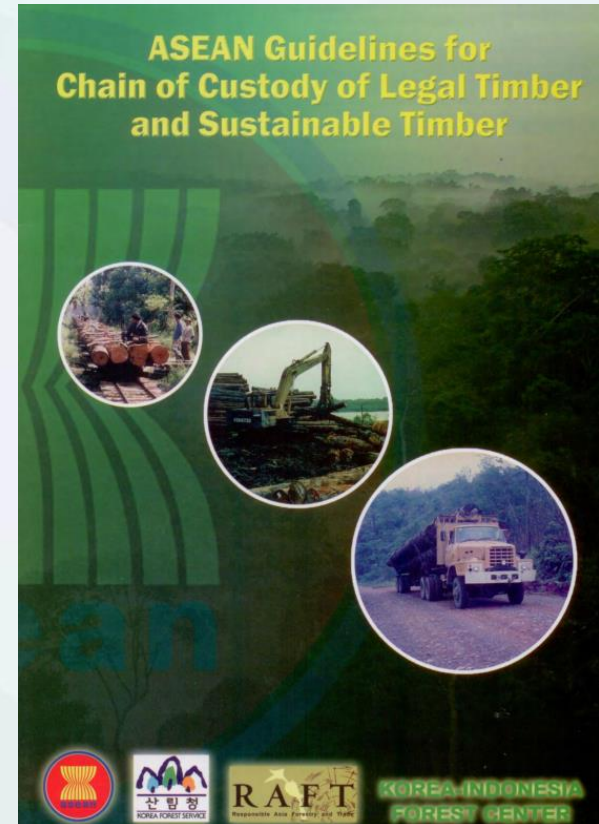
Already at the 5<sup>th</sup> Meeting of the Working Group in Chiang Mai in December 2005, the principles, procedures and governance aspects of the **ASEAN Guideline on Phased-approaches to Forest Certification (PACT)** were agreed. The PACT programme was defined as a series of planned actions carried out by Forest Management Enterprises (FMEs) with the purpose to conform to the standards of performance required by a certification scheme and verified by an independent body (third party). The meeting acknowledged that conformance with the criteria and indicators of a yet to be developed ASEAN Timber Legality Standard shall be a pre-requisite to enter into the PACT programme (first level of the step-wise approach to achieve SFM certification). Country specific specifications of the requirements for legality shall be developed, based on the existing laws and regulations in the respective ASEAN Member State.

At the 7<sup>th</sup> Meeting of the Working Group in April 2008, after almost two years of discussion, the **elements of the ASEAN Criteria and Indicators for Legality of Timber within the PACT Programme** were approved. The discussion reflected also upon ongoing deliberations on legality and legality verification in the international context (EU-FLEGT process, green public procurement policies, and business-to-business timber legality verifications). The following **six elements** were agreed:

- (1) Compliance with all relevant forest laws and regulations
- (2) Payment of all statutory charges

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## ASEAN Criteria and Indicators for Legality of Timber



## ASEAN Guidelines for Chain of Custody of Legal Timber and Sustainable Timber



## WG-PATCI

- Met fourteen times since inception:



## WG-PATCI

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- Country progress reports on implementation of timber certification and legality assurance systems and ASEAN CoC Guidelines;
- Exchange of information and experiences on implementation of US Lacey Act and preparation for negotiation on a VPA
- Consultations with, and support from consumer countries and interested parties for studies and capacity building activities, e.g:
  - EFI Asia FLEGT Facility:
    - 4 Sub-Regional Training Workshops on Timber Legality Assurance
    - Scoping study: Customs & timber legality
  - GAP-CC/GIZ:
    - Stock Taking Study on Existing Initiatives for Ensuring Legal and Sustainable Timber in ASEAN

## Current status and moving forward

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- Activities has gained notice and interest of like-minded organisations and countries to support efforts towards ensuring SFM in ASEAN
- AMS require technical and financial assistance, in particular building national capacity to develop/ improve national infrastructure for certification
- Progress and willingness have been encouraging, however complexity and difficulties involved require effort and support.



