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***Development of Legality Assurance System
Some Reflections***



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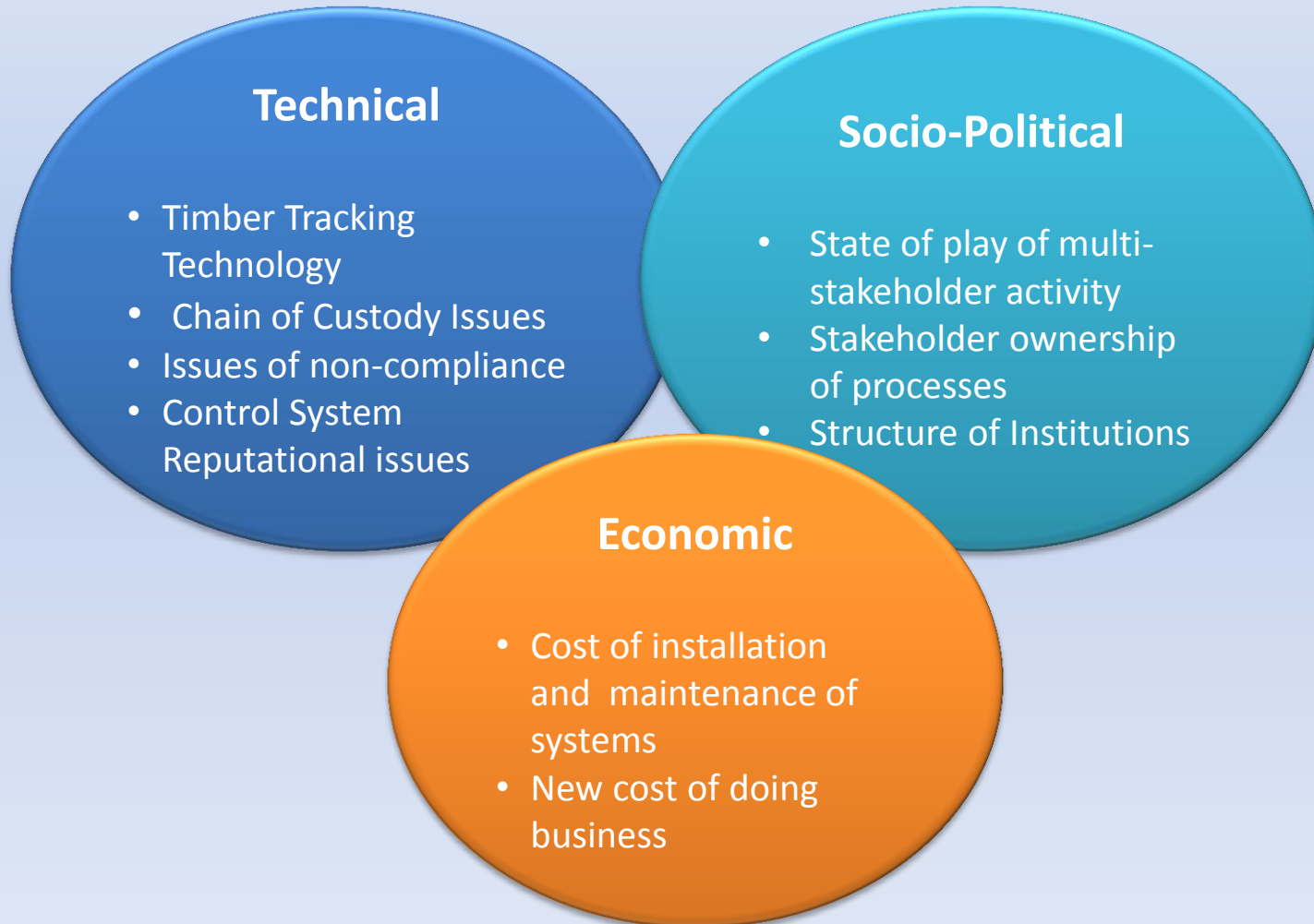


Structure

-  What is involved in *timber* Legality Assurance Systems Development (LAS)
-  The Challenges
-  The Opportunities
-  State of Play of the Market



The Implementation Environment



WHAT HAS INFORMED SYSTEM DEVELOPMENT SO FAR?






Determining the direction of Systems Development - I

 How robust is the existing control system? Do the systems:


- Enable continuous tracking of timber products and origin?
- Track origin of timber and/or timber products throughout all control points?
- Track log and product ownership and change of ownership of consignments (CoC)?



Determining the direction of Systems Development- II

 Does the control system have any reputational issues?

- Is there (persistent) evidence of non-compliance?
- Is there evidence of application of sanctions for offenders?

 Have there been issues with declarations emanating from country control systems?


- Have claims on export consignments generated controversies in the past?




Do we shift paradigm or do “gentle tweaks”

 Introduction of new business process?

or

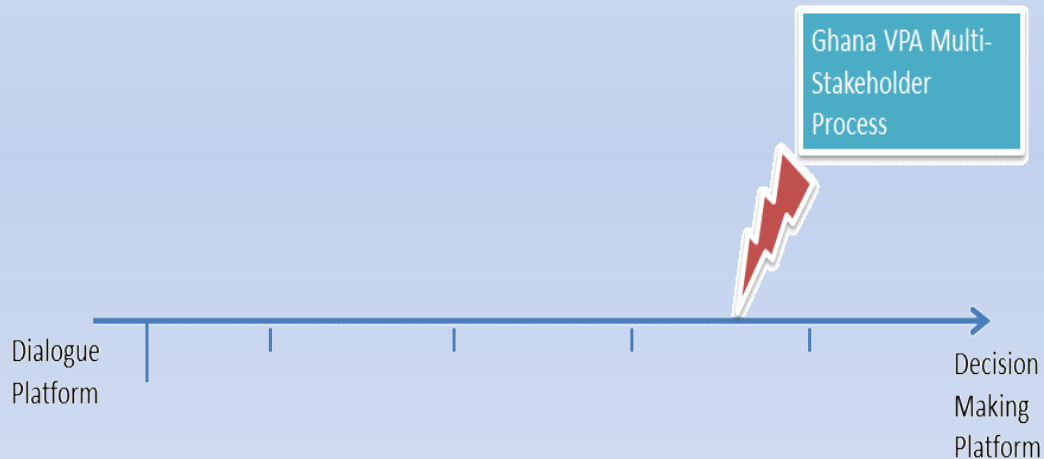
 Consolidation/automation of data collection at critical control points but keeping same business!

 Maintaining same institutions across entire TLAS business process/value chain to deliver **legality licenses** (has/will there be any institutional re-engineering because of FLEGT-VPA?)



Understanding the Implementation Environment - I

The Continuum of dialogue and Decision Making



The Governance & Socio-Political Env.

- More government than governance?
- Status of development of Multi-stakeholder Platforms
- Fluidity of *processes* and institutions



Challenges

- Combining regulatory and business concerns in systems development
- Making the right choice of technology
 - Is it about technology or credibility of claims –
- Making the systems implementable and not technologically attractive?
- Who must participate in systems development?
 - Are we taking the “governance talk” a little too seriously?
- Cost of installation and future cost of maintenance of LAS ...
- The EU TR implementation – FLEGT licenses now an imperative option hence an urgency



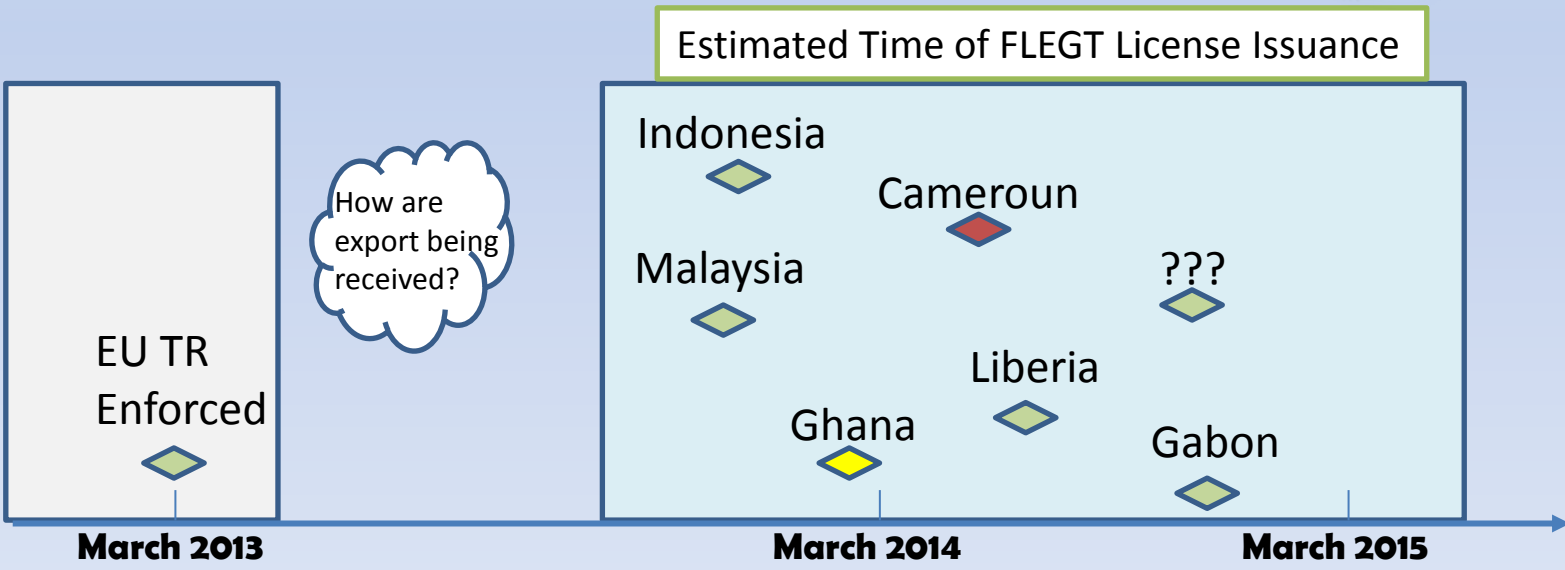
Opportunities

- Maintain access to high value markets
- Improve upon the existing in-country regulatory systems
- Re-claim “dented” reputation
- Opportunity for producers to examine their business models & market preferences
- Resources to in-country efforts to build systems
- Improve on in-country forest governance and inch closer towards sustainable forest management (SFM)
- A “fairer trade” on the international timber market??



“State of Play” on the Market

- The EU TR came into force on March 3, 2013
- Due Diligence system by Operators begins
- Implying: More Information requirements on consignments
- No FLEGT Licenses will be ready until much later in 2013?



THANK YOU

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