

Forest Certification in Myanmar

This article provides a summary of the status of forest certification in Myanmar. It summarizes and updates a chapter in Forest Trends publication “Myanmar: Overview of Forest Law Enforcement, Governance and Trade” written by Kevin Woods and Kerstin Canby with the support of EFI.

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Introduction

The easing of diplomatic and financial sanctions on Myanmar has sparked western interest in investment and trade opportunities. Interest in the export of world famous “Burmese teak” has led buyers from the United States, Europe, Japan, and Australia to ask questions about whether logs or timber exported out of Myanmar are legal or sustainable, as well as what the prospects are that they can be verified as legal or certified sustainable in the future.

Myanmar currently does not have any internationally recognized certification standard, such as FSC, although the country has had a long history of scientific forest management and has engaged in several domestic and regional initiatives that could serve as a positive foundation to those seeking to establish certification programs in Myanmar.

It is important to note, however, that these existing Myanmar forest management systems do not differentiate between timber products sourced from officially designated forest production areas (as was previously the case), and that emanating from the clearance of forest areas (“conversion timber”) for agriculture or infrastructure (which is now a significant contributor of natural timber). Forestland conversion for economic land concessions, such as for hydropower infrastructure, mineral extraction, road projects, and most recently and severe industrial agricultural estates, is now probably the largest single source of natural timber in Myanmar and a leading cause of rapid declines in forest areas. Some Myanmar foresters estimate closed forest cover to be 20-30% of the country’s total land area, much lower than previous estimates.

Timber from tree plantations is not yet considered a major contributor to the country’s timber supply chain; natural forest areas are still predominately relied upon for timber supply. The forest management system in Myanmar does not differentiate the source of the timber – whether it originates from a natural forest, a plantation or an economic land concession. This lack of clarity of data on timber origin presents a major obstacle for any certification schemes in the country.

A Firm Foundation of State Forest Management

The foundation of Myanmar’s forest management system still in place today was first established by the British colonists in the late 1800s. Myanmar became world renowned for their scientific forestry management system in the early 20th century, known then as the Burma Selection System (BSS), and now Myanmar (MSS). While this application of scientific forestry broke down in the 1970s for political-economic



reasons, relatively solid legislation and regulations for harvesting and transportation of forest products are still in place which can serve as an important foundation for forest certification and chain-of-custody (CoC) systems. For example, the Forest Department is supposed to verify legality of timber as well as monitor and inspect harvesting practices, which includes checking log hammer marks with official documents at the depot and wood-processing factories. Implementing these regulations, however, has been hampered by a lack of resources and other constraining factors that seriously undermine the MSS.

The parliament and the newly branded Ministry of Environmental Conservation and Forestry (MOECF) (previously the Ministry of Forestry) has been debating the revision of the existing 1992 forest law in order to enhance the effectiveness and efficiency of forest management in Myanmar. It is likely that there will be a new Forestry Law in 2013, with a new set of bylaws and instructions to be promulgated to enact the law. The minister of MOECF has requested input from civil society on the drafting of the new forestry legislation which is a positive sign of greater transparency and governance. There is a push for civil society to play a stronger role in the forestry sector in the country, as well as to include a community forestry law as part of the forestry law reform. These reforms very well may offer greater opportunities for verification of legality under a revised legal framework.

Numerous Initiatives for National Certification Standards

The government has also started numerous initiatives over the years to promote certification, including various committees across different agencies, Criteria and Indicators (C&I), national codes, reduced impact logging (RIL) and chain of custody (CoC), among others. Most have moved slowly or not at all after an initial push. These initiatives, however, could serve as a basis from which to build towards a robust national, regional, or international certification system:

1. The Timber Certification Committee of Myanmar (TCCM) was established under ministerial decree in 1998, along with a working group in 1999, to explore the potential requirements of a timber certification regime. Today, the TCCM acts as the national governing body to monitor the future timber certification process and activities in Myanmar. The committee consists of government officials of all departments and institutions under MOECF and one representative from FRED, a national forestry NGO run by a retired MOECF minister. The TCCM was reformed in 2005 to add the Myanmar Timber Merchant's Association (MTMA). Since its creation, it has established links with other timber certification bodies in the region on a bilateral basis, such as Malaysian Timber Certification Council (MTCC) of Malaysia and Eco-labeling Institute of Indonesia (LEI). The TCCM may not be sufficiently independent from the government and the timber-certifying body as international standards may require, however.
2. The TCCM strives to develop the principles, methodology and work plan to establish a credible and pragmatic Timber Certification Scheme for Myanmar. The TCCM is now a part of the greater Myanmar Timber Certification Program (MTCF). Of the total 63 Forest Districts which can be treated as Forest Management Units (FMUs), 38 districts are included in the MTCF where timber extraction occurs. A push for forest management decentralization has allowed FMU managers to draft MTCF's implementation plans, where each forest district now has its own forest management plan. Currently, the pre-assessments of current performance against the developed Criteria and Indicators (C&I) are being conducted in different FMUs. An independent assessment by a third party is scheduled to be carried out at a later date with the guidance of a Myanmar governing body that has not yet been established.
3. Myanmar's C&I for sustainable forest management (SFM) at both national and FMU levels were approved in 1999, as based on ITTO's 1998 C&I for SFM of tropical forests. Together with standards of performance for each activity, there are a total of 7 criteria identified at the national and FMU levels, 78 indicators and 267 required activities at the national level, and a total of 73 indicators and 217 activities at the FMU level. The ITTO C&I for SFM were revised again in 2005 to include 7 criteria and 51 indicators at the FMU level.

4. Myanmar has also participated at the 1st, 6th and 9th Ad-Hoc working group meetings of the Pan-ASEAN Timber Certification Initiative in 2002, 2007 and 2010, respectively. The TCCM is now developing a timber certification standard and process, reflective of Myanmar's particular forest management system. Myanmar's ITTO-based C&I are the basis for developing timber certification checklists at the FMU level (Interviews with active forestry official and MTMA members, Yangon, July 2010).
5. In 2000, Myanmar's MOECF developed a National Code of Harvesting Practices (NCOHP) based on the regional FAO/Asia-Pacific Forestry Commission Code of Practice for Forest Harvesting in Asia-Pacific, which was revised in 2003. FAO and the Japanese government supported the "Enhancing Sustainable Forest Harvesting in Asia" from 2003-08, which were the initial stages for applying improved forest harvesting.
6. In 2008, Myanmar developed "reduced impact logging" (RIL) guidelines. Meant to lead to the development of an internationally recognized national timber certification standard, RIL guidelines aim to provide guiding mechanisms to realize NCOHP.
7. Chain-of-custody (COC) requirements for legal and sustainable timber are currently being developed, with hopes that the first COC certification will be achieved within the first two years of MTCP operation. The government hopes that the implementation of COC and SFM certification in Myanmar will be achieved within the ASEAN target of 2015.

Certification of Plantations

There is no system in place in Myanmar to differentiate wood extracted from natural forests, tree plantations, or land conversions. The Myanmar Timber Certification Program (MTCP) has plans for a certification program for timber from forest plantations, although to date no work plans have yet been created. The main obstacle to developing tree plantations with the private sector in the country is land tenure conflict, which MOECF aims to deal with in the near future with the forest law reforms.

Certification of Community Forests

As of 2011, there are 572 forest user groups (FUG) with legal community forestry certificates, managing more than 100,000 acres of forest (representing only 0.13% of the country's forest cover). However, many more are awaiting formal certificates and more still are managing their forests as if under formal community forestry management. Community forestry establishment is far behind the government's Master Plan 30-year target of 2.27 million acres by 2030 (Tint, Springate-Baginski and Ko Ko Gyi, 2011). So far, no community forests have begun harvesting, so it is too early to determine how they will factor into the country's commercial forestry sector, if at all. No national government management plans have included community forests as providing timber for the country's wood sector, for example, and no certification programs plan to target community forests.

Legal Export of Myanmar Timber

Over the years, there has been much speculation about the extent of illegal exports of Myanmar timber, especially over the Chinese border. In March 2006, the Chinese and Myanmar national governments made a bilateral agreement to clamp down on cross-border timber trade after much international embarrassment and pressure. Although the now illegal cross-border trade considerably decreased a few years after the crackdown, the trade has picked up again, although far below previous staggering levels. Most of the cross-border timber trafficking now occurs by motorbike at night through certain overland crossing points. Since the time of the cross-border timber ban, China has continued to record lower volumes of Myanmar timber, while exports to India has been steadily increasing to replace China as the major importer of Myanmar wood.

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In order to better control revenue from timber that was once smuggled over the Chinese border, new Government initiatives have pushed for all timber to be exported via Yangon by ship. While much of the timber is harvested and transported by private Myanmar companies, in cooperation with the state-owned Myanmar Timber Enterprise (MTE) under the MOECFAF, all timber shipped out of Yangon is marked as MTE wood. Wood is therefore considered legal by the government if it has MTE markings and is exported through designated Yangon timber ports. Official government recognition of the problem of illegal logging and its associated trade thus refers to smuggling operations that occur in overland border areas, such as with China and Thailand.

Several Myanmar timber traders and port authorities have acknowledged problems with forging certificate of origin documents in importing regional countries to get around western sanctions when re-exporting Myanmar wood to western countries. However, these trade flows are expected to rapidly change with the preliminary dropping of most western sanctions, including for timber.

Conclusion

Myanmar's new government is currently debating how to proceed with the country's forestry reform, following other sectors in the country. Current debate focuses on whether or not to ban the export of logs, as Myanmar is one of the only countries in the world that still allows log exports. While a log export ban may still be premature, it appears that the government's official logging quota (Annual Allowable Cut, or AAC) for hardwoods, including teak, will either decrease for the first time in the near future, or at least be more strictly followed. The MOECFAF continues to push for greater governmental support of the domestic wood-processing industries to capture more value before export. This reflects recognition within the MOECFAF, the Myanmar Timber Merchants Association (MTMA) and timber traders of the drastically reduced domestic supply of natural timber. Reform-minded forestry officials call for more strictly following the rules and regulations that once made Myanmar's forest management system world famous.



Forest Trends
1203 19th Street, NW
Washington DC 20036 USA
www.forest-trends.org