



Myanmar Minister of Natural Resources and Environmental Conservation U Ohn Win.
PHOTO: BOUGAERDT HOUT

Tracking hammer marks on teak log.
PHOTO: DOUBLE HELIX



EU and Myanmar take proactive steps on timber legality assurance

Alarms have sounded recently over proof of legality of Myanmar timber and notably teak exports to the EU. However EU and Myanmar authorities and timber trades representatives, including the ETTF, have been liaising closely and are taking steps to tackle legality assurance deficiencies, confusion and misinformation. They acknowledge challenges, but express confidence that, with cooperation and commitment, these can be overcome.

Trade concerns over Myanmar are understandable. Two companies in the last nine months, Alträ Nordic in Sweden and Keflico in Denmark, have faced allegations of breaching the EU Timber Regulation (EUTR) by providing inadequate evidence of origin for Myanmar teak. The Swedish company was initially fined. Meanwhile Denmark's EUTR Competent Authority (CA) issued injunctions against all Danish teak operator importers (see page 7). These stated they must have chain of custody back to the forest for Myanmar timber, which some previously accepted forms of legality assurance failed to do, notably the Myanmar Forest Products Merchants Association 'Green Book' (p2).

The topic gained higher profile last October when the Environmental Investigation Agency (EIA) cited nine companies in five EU countries as providing insufficient legality assurance on Myanmar imports. The NGO also raised 'substantiated concerns' over these importers to CAs to trigger their investigation.

In Myanmar, however, legality assurance

issues were addressed this year at the final workshop of the Myanmar Timber Legality Assurance System (MTLAS) Gap Analysis Project. Delegates at the Yangon event comprised representatives of Myanmar and EU authorities, trade bodies, including the ETTF, companies, and the FAO-FLEGT Programme (FFP). They heard that the independent Gap Analysis, led by the Myanmar Timber Certification Council and backed by the FFP, had found key areas for improvement in the MTLAS. But it also identified core elements to build on (p4).

Wider concerns on Myanmar timber legality assurance were aired at side-meetings in Yangon between Myanmar and EU representatives. ETTF Secretary General André de Boer described exchanges as frank but constructive (p2).

Myanmar Minister of Natural Resources and Environmental Conservation (MONREC) U Ohn Win was also in Yangon and met with EU timber trade representatives. His department subsequently announced measures to

streamline, simplify and provide better communication on Myanmar timber legality assurance systems (p3), partly with a view to ongoing discussions on signing an EU FLEGT Voluntary Partnership Agreement.

In the EU, the ETTF is also working closely on the issues with Myanmar timber importers and liaising with CAs (p2). The German and Belgian CAs have also issued documents to the trade, identifying the information they need to verify Myanmar timber meets EUTR legality demands (p5). Subsequently, the ETTF is urging other CAs to adopt the same approach (p2).

Meeting with the EUTR/ FLEGT Expert Group in April, Mr de Boer also acknowledged Myanmar trade demanded scrupulous management, but challenged views that it could not currently satisfy EUTR requirements, with the right paper work (p2).

International Timber tracking technology specialist DoubleHelix has also backed importers' views that traceability to timber extraction site in Myanmar is possible (p6).

EIA sees 'excellent opportunities for reform'

The Environmental Investigation Agency (EIA) is sticking to its view that it is 'not possible at this time for any EU operator to comply with EUTR [legality requirements] when placing Myanmar teak on the market'.

However the NGO does not favour an embargo on the trade and acknowledges efforts being made to strengthen Myanmar timber legality assurance systems in the country and the EU.

"Instead of an embargo, we're urging government agency Myanmar Timber Enterprise (MTE) to engage in a reform process that would allow EUTR compliance,"

said EIA Forests Campaigner Peter Cooper.

He said that EIA investigations last year into nine EU operator importers of Myanmar teak found a range of 'failures' in terms of meeting EUTR requirements.

"And failure to address any of these points meant due diligence could not be carried out," said Mr Cooper.

But the EIA welcomed MTE and Myanmar Forest Department moves to resolve these issues, such as ending use of harvesting subcontractors, reducing the country's annual allowable cut and strengthening enforcement.

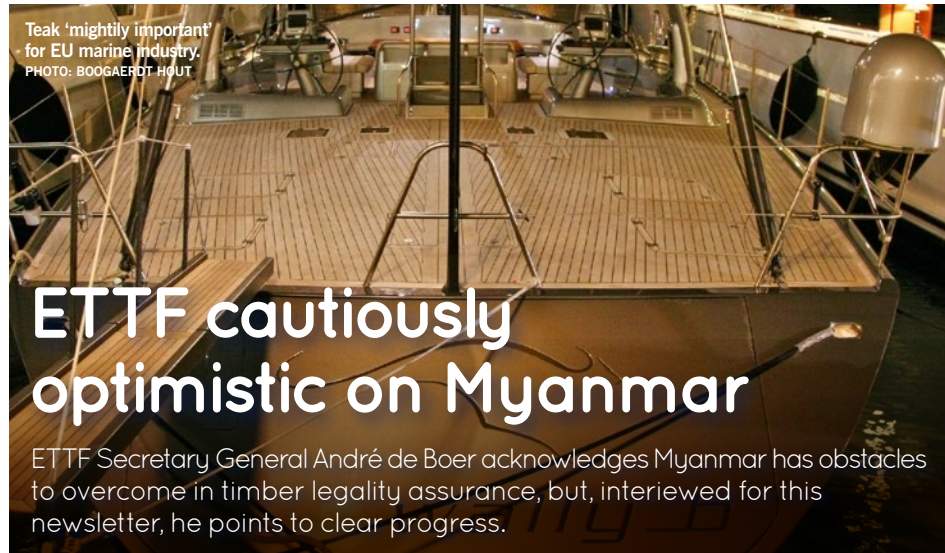
What it would like to see now is still

greater transparency from MTE and other Myanmar timber industry bodies and more independent monitoring. It also urges more uniform EUTR enforcement on Myanmar timber imports.

Mr Cooper added that the EIA supports Myanmar's FLEGT VPA discussions too.

"We believe there's an excellent opportunity and political will to improve transparency and legality in Myanmar forestry operations and the FLEGT process is the correct approach."

For the full interview with Mr Cooper
[CLICK HERE](#)



Teak 'mightily important' for EU marine industry.
PHOTO: BOOGAERDT HOUT

ETTF cautiously optimistic on Myanmar

ETTF Secretary General André de Boer acknowledges Myanmar has obstacles to overcome in timber legality assurance, but, interviewed for this newsletter, he points to clear progress.



André de Boer (third right) with other trade delegates at the meeting with MONREC Minister U Ohn Win. PHOTO: BOOGAERDT HOUT

How important is it that EU countries stay engaged with the Myanmar timber trade?

André de Boer: It's not the whole story as Myanmar teak also comes to Europe via secondary countries, but at a macro EU timber market level, direct imports from the country are small, worth around €25 million annually. Most of its exports go to China, India and other neighbouring countries. But for EU end users the teak trade is mightily important, notably the EU's world-leading boat building sector. If it cannot get the teak it needs, we may see further production move offshore, with potentially significant job losses, according to marine industry association ICOMIA (p5).

Engagement is critical too to influence and

support Myanmar's progress to improved legality assurance and sustainability, including eventually signing a FLEGT VPA

What support is ETTF giving Myanmar, particularly after the Environmental Investigation Agency claimed its teak does not meet EU Timber Regulation legality requirements?

AB: We've taken part in Myanmar trade and advisory missions, the latest being February's Myanmar Timber Legality Assurance System Gap Analysis project workshop. Our message to the Myanmar trade and authorities is that they must provide chain of custody from forest to harbour. It has to be third party verified, transparent and with all documents

readily available. Former so-called Myanmar 'Greenbook' evidence, tracking only from Myanmar Timber Enterprise log concentration depots to harbour, is no longer viable, despite being accepted by some CAs until recently. Without this action, Myanmar may risk losing EU markets.

We also agreed on the need for Myanmar to tackle illegal cross border teak traffic, especially to China.

What's your latest advice on Myanmar to EU operator importers?

AB: We're saying you can continue importing Myanmar teak, but only from reliable suppliers who can provide transparent, verified evidence of timber origin and rather not via secondary countries, which poses greater risk.

What other steps are you taking to facilitate EU import of Myanmar timber that meets EUTR requirements?

AB: The German and Belgian CAs, BLE and FPS Environment, have both issued advisory documents on evidence of legality from Myanmar, requiring documentary proof of harvest region. The ETTF is now urging all CAs to adopt their approach to create a level legality assurance playing field EU-wide.

Are you optimistic for the EU-Myanmar timber trade?

AB: There's much to do, but cautiously optimistic yes. After its logging moratorium ended in April, Myanmar is reducing its annual allowable timber cut, which should simplify monitoring and policing. In the Yangon meetings, there was also clear commitment among Myanmar delegates and authorities, including MTE and the Minister of Natural Resources and Environmental Conservation himself, to address legality assurance, especially chain of custody to the forest. They promise a range of other steps too (p3), including immediate greater transparency and to add necessary documentation to a new 'Greenbook'. Myanmar's transition to democracy also means we are entering a new era of openness and liaison, which will help.

Challenging teak trade supply chain misconceptions

The ETTF presented its position on the Myanmar teak trade and its capacity to meet EU Timber Regulation due diligence requirements to the EUTR/FLEGT Expert Group (EFEG) in April.

Secretary General André de Boer highlighted the significance and complexities of Myanmar teak exports to the EU to the EFEG audience of EC and Competent Authority representatives.

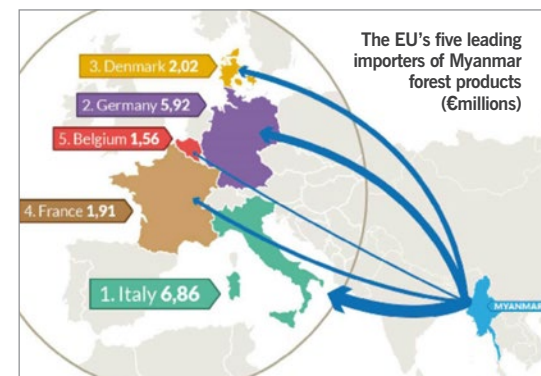
"The value of direct trade may be relatively small, with 70% of Myanmar's EU teak exports coming via other countries," he said. "But it's a high margin trade for Myanmar suppliers and European added value is enormous."

After the recent Environmental Investigation Agency probe (p1) and Swedish and Danish CA investigations into companies on the issue, Mr de Boer acknowledged some importers concluded it was too complex to get chain of custody documentation on Myanmar teak from the forest, or to avoid timber mixing during transport. But the ETTF challenges this,

citing among evidence the work of timber tracking specialist DoubleHelix (DX) (p6) and the Myanmar Timber Certification Council's recent Gap Analysis of the Myanmar Timber Legality Assurance System. DX states existing systems enable the supply chain to be 'monitored and controlled', while the Gap Analysis also concluded "the current framework provides a system for tracking logs from forest of origin to point of export."

Mr de Boer told the EFEG that ETTF advice to importers was not to buy Myanmar teak without categorical proof of timber origin. At the same time, he stressed, shipments must be judged case by case.

Dr Francesca Marzatico, FLEGT Advisor to the Myanmar Ministry of Natural Resources and Environmental Conservation also



addressed the EFEG. She said Myanmar acknowledged shortcomings in its systems, but was committed to reform.

For Mr de Boer's presentation [CLICK HERE](#)
For Dr Marzatico's presentation [CLICK HERE](#)



Forest to port tracking is being made available

MONREC details reforms

In its 'Statement of Progress in Timber Legality Assurance', Myanmar's Ministry of Natural Resources and Environmental Conservation (MONREC) acknowledged deficiencies in its timber verification and tracking systems. But it also pledged reform.

The document was issued in March, shortly after the international workshop of the independent Myanmar Timber Legality Assurance System (MTLAS) Gap Analysis Project, which was led by the Myanmar Timber Certification Committee and backed by the FAO-FLEGT Programme (p4).

It acknowledged that:

- Myanmar systems for tracing timber from forest to export may be complex for external parties to navigate.
- EU importers exercising EUTR due diligence face challenges accessing chain of custody documents.
- Mixing of logs in supply chains can complicate traceability.

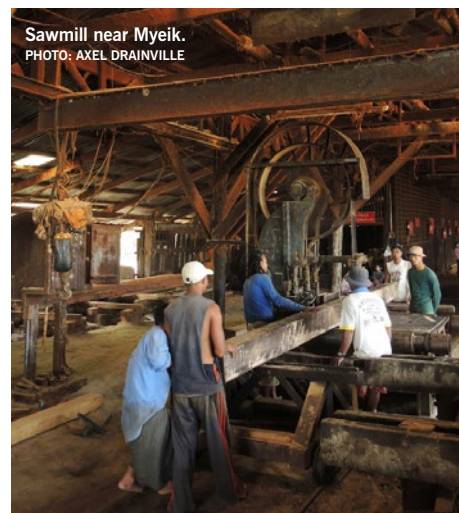
Consequently MONREC committed to:

- Streamlining [supply chain] systems, including simplifying hammer-marking, so exporters can 'demonstrate compliance with Myanmar law'.
- Establishment of communication focal points to improve stakeholder information access.

- Making forest to port tracking documentation on stockpiled timber available from 2017/18.
- Creation of a customer information 'dossier' by a new joint focal group, comprising Myanmar Timber Enterprise and the Forest Department, to explain traceability systems and provide samples of required documents. While this is being prepared, Myanmar Forest Department (FD) Director General Dr Nyi Nyi Kyaw said overseas operators can visit Myanmar forests to see supply chain controls first hand.

The FD also said the decision to cut Myanmar's annual allowable timber cut to half previous levels from 2017/18 would aid traceability. In addition it is banning trade in certain timber types, including confiscated timber felled illegally and from land clearing.

MONREC said these moves would form part of ongoing activity 'to develop a comprehensive MTLAS that met international best practice standards'.



Sawmill near Myeik. PHOTO: AXEL DRAINVILLE

It is also forming a Multi-Stakeholder Group in the 'framework of the EU Forest Law Enforcement Governance and Trade process', which will continue to work on the MTLAS following the Gap Analysis recommendations. This will also serve as a 'first step toward an EU Voluntary Partnership Agreement' (FLEGT VPA).

For the MONREC statement in full, [CLICK HERE](#)

Commitment and dialogue

The Yangon workshop on Gap Analysis of the Myanmar Timber Legality Assurance System and associated side meetings conveyed 'sincere commitment' from Myanmar trade and authorities to meet EUTR due diligence legality requirements. They also underlined growing openness to consultation on wider issues of timber legality assurance and sustainability.

Those were views from ETTF members who joined Secretary General André de Boer at the event earlier this year, which, alongside the workshop, included separate meetings between EU and Myanmar trade and authority attendees.

Around 150 delegates were at the workshop, organised by the Myanmar Timber Certification Council, with EU attendance and additional meetings facilitated by Global Timber Forum.

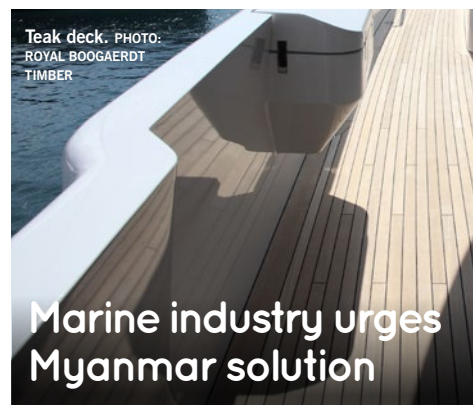
Also attending were International Wood

Products Association chief executive Cindy Squires and some of its members (p4).

"An important aspect that came out was the importance of dialogue, consultation and identifying that we have mutual objectives in achieving transparency and legal trade," said Stephan Bührich, Chief Executive of Germany's WOB Group, which was represented in Yangon.

According to Danish Timber Trade Federation Director Jakob Rygg Klaumann, the Yangon meeting also provided a "more nuanced picture of the Myanmar situation".

"What was especially striking were the repeated expressions of commitment to meeting EU requirements and standards and to Myanmar supplying the European market," he said. "There was admission of problems too, such as previous over-harvesting. But that's the sort of openness we wouldn't have seen five years ago. There was real reaching out for closer relations."



Teak deck. PHOTO: ROYAL BOOGAERDT TIMBER

Marine industry urges Myanmar solution

Current legality assurance issues in Myanmar teak trading could hit the EU boat-building sector, according to the International Council of Marine Industry Associations (ICOMIA).

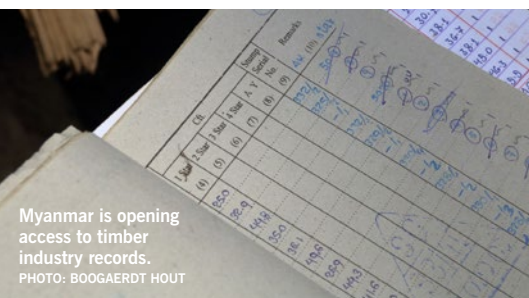
The organisation issued a statement saying the current situation was one of confusion, following court cases flagging non-compliant teak imports and press reports of 'perceived negligence in declaring origin of tropical wood'.

It said discussions around documentation required on teak imports and the need for harmonised implementation of EUTR rules across the EU 'comes at a crucial time'.

"We predict a substantial decrease in EU leisure marine industry competitiveness if developments lead to disproportionately onerous requirements in trading legally compliant teak," said ICOMIA's statement, adding that the sector comprises 32,000 companies, employs 280,000 people and turns over €20 billion annually.

The organisation said its position on teak mirrored that of the ETTF; that it requires third party verified documentation providing 'full trace to point of origin'.

[CLICK HERE](#) for the ICOMIA's full statement



Myanmar is opening access to timber industry records. PHOTO: BOOGAERDT HOUT



The gap analysis report recommended several MTLAS improvements.
PHOTO: FAO-FLEGT PROGRAMME

Change follows MTLAS gap analysis

The Government of Myanmar has committed to improving the country's timber legality assurance system following release of the report analysing "gaps" in the system in the context of internationally recognized principles, requirements and best practices.

The Myanmar Forest Certification Committee (MFCC) commissioned the gap analysis early 2016, with technical support from the FAO-EU Forest Law Enforcement, Governance and Trade (FLEGT) Programme of the Food and Agriculture Organization of the United Nations (FAO).

Myanmar first developed its Timber Legality Assurance System (MTLAS) in response to efforts by the Association of Southeast Asian Nations (ASEAN) to establish standardized regional criteria for timber legality, furthering ASEAN's efforts to create an integrated regional economy. Since Myanmar entered the preparation phase for a FLEGT Voluntary Partnership Agreement (VPA) with the European Union in 2015, the focus has returned to improving the MTLAS to provide robust assurance that wood exported to the EU comes from legal sources.

The results of the **MTLAS GAP ANALYSIS REPORT** were shared at the consultative workshop with 150 national and international stakeholders in Yangon in February 2017.

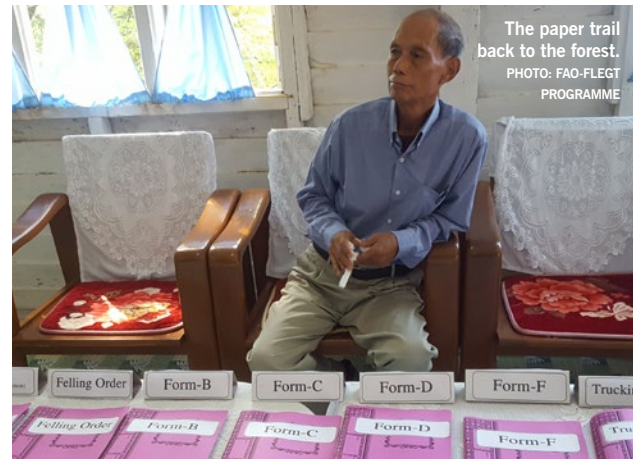
Although the MTLAS is based on the current national legal framework and a well-established government verification system, the report recommends a number of key improvements including:

- All possible sources of timber to be covered, widening the MTLAS's current scope;
- Legality requirements at the forest level to be better defined;
- Internal checks and external third party verification at the forest level and along the supply chain to be strengthened;
- Measures to increase transparency and address unethical conduct to be defined and implemented;
- Mechanisms for overall MTLAS monitoring and oversight to be incorporated into the system;
- MTLAS systems, processes, procedures and data to be documented and made publically available.

Forest Department Director U Kyaw Zaw was enthusiastic about the results of the gap analysis, noting they would help "strengthen our system to be recognized by the international market and to fulfill some criteria of sustainable forest management."

MFCC mentioned it "would try its best to make the MTLAS into a reputable, internationally accepted timber legality assurance system."

Bruno Cammaert of the FAO-EU FLEGT Programme highlighted that "the fact that



The paper trail back to the forest.
PHOTO: FAO-FLEGT PROGRAMME

Myanmar agreed to a transparent and participatory review of its system against international best practices is a testament to its willingness to engage in forest sector reform."

The results of the gap analysis comes after a recent **SWEDISH COURT DECISION** confirming that an importer's reliance on information currently provided by the Myanmar Forest Products Merchants' Federation is insufficient to demonstrate compliance with the due diligence requirement of the European Union Timber Regulation. This ruling sets a precedent and is affecting Myanmar timber imports into Europe.

The Myanmar Minister of Natural Resources and Environmental Conservation indicated in a **STATEMENT** that it would take immediate action to facilitate access to documentation needed by European operators to assess legality and traceability. It also recognized the need to further improve stakeholder engagement to strengthen the MTLAS.

Article courtesy of the FAO-FLEGT Programme, [CLICK HERE](#)

Convinced of Myanmar's intent

Barber Cho, Secretary of the Myanmar Forest Certification Committee (MFCC), says there's some way to go to build trust and communication between the timber trade and forestry authorities of the EU and Myanmar.

However, he's convinced of Myanmar's commitment to improve its forest management and timber legality assurance systems (MTLAS). "The Forest Department has already announced an export ban of confiscated timber and material from conflict and conversion forest," he said. "It will also not permit harvest levels to exceed the annual allowable cut, which is itself half previous levels."

The acceptance of the MFCC's MTLAS gap analysis results by the Minister of Natural Resources and Environmental Conservation (MONREC) also underlined the country's positive intent.

"And the minister agreed with MFCC's proposal to take a multi-stakeholder approach when the MTLAS is reviewed," said Mr Cho.

[CLICK HERE](#) for full interview

IWPA welcomes consistent reform

The US-based International Wood Products Association (IWPA) acknowledges that raising Myanmar forest management and timber legality assurance standards is a long-term effort. But it says recent 'consistent movement toward reform', which IWPA has actively supported, has laid foundations for future progress.

"IWPA has participated in trade dialogue trips to Myanmar, including latest meetings in Yangon, to increase understanding on both sides and Myanmar traders have travelled to the US to attend the IWPA Annual Convention and hear from the Department of Justice about US Lacey Act requirements," said IWPA Chief Executive Cindy Squires. "These exchanges helped increase awareness in the Myanmar trade

and government about the requirements of international trade and benefits of reform."

Importantly, the IWPA has also worked to facilitate direct trade with Myanmar, helping address concerns over non-sanctioned trade at Myanmar's land borders.

Among Myanmar's latest moves, the Association maintained, its commitment to allowing traceability to the forest was especially commendable.

"We now look forward to continuing to work with Myanmar as development of its timber legality assurance system moves forward," said Ms Squires.

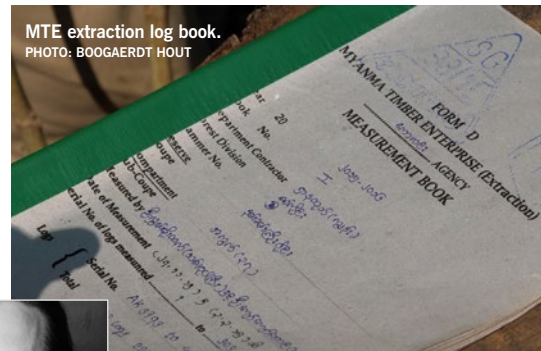
[CLICK HERE](#) for full interview



Cindy Squires is also a GTF board member



Checking log records on forest visit.
PHOTO: BOOGAERDT HOUT



MTE extraction log book.
PHOTO: BOOGAERDT HOUT

ETTF DD in line with German Competent Authority on Myanmar

ETTF EU Timber Regulation due diligence (DD) guidelines have been described as in line with a German Competent Authority (CA) 'order' on importing from Myanmar.



Nils Olaf Petersen, GD Holz

The document from Germany's BLE, lays out what it requires under the EUTR in terms of chain of custody evidence and has been termed as 'effectively a position statement' for operators on importing from Myanmar.

It was issued this year after BLE tests of Myanmar timber.

"These showed no import fully met EUTR article 6 requirements [on proof of provenance from region of harvest]," stated the BLE document.

It said there was plentiful official chain of custody documentation in Myanmar, including from MTE, MFPMF, MOECAP and MTMA. But this only traced timber back to MTE log depots and auction sales.

"As a result, existing Myanmar state and governmental documents certifying wood as legal are not sufficient," it concluded.

However, the organisation also detailed proof of origin records which could satisfy EUTR [DD] requirements. These comprised:-

- transport documents from harvest region
- evidence of existing hammer markings on tree trunks
- further evidence such as third party certification or verification.

Nils Olaf Petersen, Head of Foreign Trade at German federation GD Holz, said the BLE document was "in line with our opinion on DD and also that of the ETTF" (which developed its own DD system for members).

While it can be done, he acknowledged that obtaining additional source of origin evidence in Myanmar remains a challenge and efforts were needed to make it more straightforward.

"Members describe it as a business for experts," he said.

Nevertheless, GD Holz believes the BLE document can be a model for other CAs to adopt to ensure a uniform EU position on Myanmar trade.

"The EUTR is supposed to be applied equally, and we cannot have 27/28 countries doing their own thing on Myanmar," said Mr Petersen. "We would like to see the BLE document as a blueprint for that – it's appropriate and applicable."

The Belgian CA, FPS Environment, and Denmark's Naturstyrelsen (see story below) have also issued operators instructions on Myanmar timber proof of origin.

For an English translation of the BLE order, [CLICK HERE](#)

Danish importers on teak front line



Jakob Rygg Klaumann

The Danish Timber Trade Federation (DTTF) says the recent experience of Denmark's operator importers further underlines the need for all EU Timber Regulation Competent Authorities (CAs) to take a common position over due diligence on Myanmar teak imports. It also wants to see a uniform response to substantiated concerns submitted on imports under the EUTR.

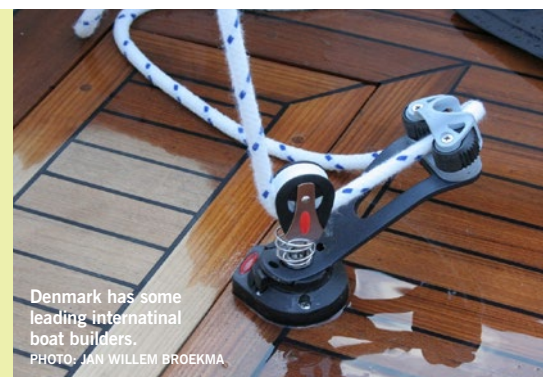
Interest in Myanmar teak was raised by last year's EUTR prosecution of Swedish importer Almrä

Nordic. This was followed by the Environment Investigation Agency's probe into nine more alleged EUTR breaches in several countries, including Denmark's Keflico, and submission of substantiated concerns about them (p1). The

Danish CA Naturstyrelsen subsequently issued injunctions against all seven of the country's teak importers, stating Myanmar imports would not meet EUTR requirements without further independently verified evidence of origin.

"The three DTTF member importers are OK with this and want to do the right thing, but they're not OK that they're alone in the frontline on the issue so far.

They are concerned that, while Danish importers paused their business last October, they observe competitors elsewhere still landing Myanmar teak in the EU," said DTTF Director Jakob Rygg Klaumann. "What has contributed to lack of uniform EUTR enforcement here is lack of a common position among CAs on EUTR substantiated concerns. The Danish CA reacted very quickly, conducting audits at all Myanmar operators, before issuing



Denmark has some leading international boat builders.
PHOTO: JAN WILLEM BROEKMA

injunctions. The German and Belgian CAs (see story above) followed, similarly saying third party verified proof of origin must be provided on all imports from Myanmar. But others didn't react, or only after some time"

Mr Klaumann added that Danish operators want to discuss with their CA that Myanmar legality verification documentation has also 'moved on' since last autumn.

Swedish CA Skogsstyrelsen said it had not issued guidance on Myanmar teak to importers following its investigation of Almrä Nordic. It added the company did not pay its Skr17,000 fine for its EUTR breach as it had ceased trading with Myanmar. Two other Swedish companies investigated did the same. Skogsstyrelsen said it judges each importer on a case-by-case basis, but that it also favoured an EU-wide CA 'harmonised approach' on Myanmar.



Teak bench. PHOTO: JOE ROSS

The DoubleHelix System accounts for potential timber mixing

Firm foundations for tracking to forest

A timber tracking systems and technology specialist says Myanmar already has the means to meet EUTR requirements for chain of custody to harvest site – and potential to develop it. **Mike Jeffree** reports

A consistent, nationwide, independently audited timber legality assurance system in Myanmar may be a work in progress.

But chain of custody third party verification and tracking technology specialist DoubleHelix (DX), which has commented on Myanmar to the EUTR/FLEGT/ Expert Group (EFEG), maintains the bedrock of a system is there in terms of a comprehensive paper trail to the forest.

In fact, the Singapore-based company has already devised an approach, now in commercial use, which could be replicated on a larger scale. It is also bringing DNA testing into the picture to underpin paper-based verification.

“Despite Environmental Investigation Agency (EIA) recent submissions of substantiated concerns to EU Competent Authorities (CA) about teak imports, our experience is that Myanmar has more solid foundations for a legality verification framework than many tropical supplier countries,” said DX chief executive Darren Thomas.

DX was first commissioned to work in Myanmar in 2013 by Dutch international trader Worldwood.

“It was the time of the EU Timber Regulation’s (EUTR) introduction and they wanted a system that gave them more confidence around their teak supply chains,” said Mr Thomas. “Our approach, first applied in Indonesia nearly 10 years ago, is per shipment-based; it’s the product rather than the entity or forest area that is verified. It joins all the supply chain dots; verifying where the product is made, its journey from log to sawn timber and transmission as far back as possible from log to forest.”

This system, he added, also deals with an inherent problem in Myanmar supply chains of log and timber mixing along the supply line.

“Each shipment is issued a traceability docket with a unique code which is passed

to the buyer. This provides assurance the product is under verification. If timber from more than one source is used in the shipment, multiple dockets are issued; one for each source of timber, providing transparency where mixing has occurred.”

DX has seen its system adopted by other buyers, and now Myanmar traders and mills its documentation has also not raised objections from EUTR Competent Authorities.

Until last year, the company’s tracking system started from Myanmar Timber Enterprise (MTE) depots, the only authorised log source. It then covered onward transit to mill, through production and onto container stuffing and export. Last July, however, it started verifying from forest extraction site to MTE depot.

“This was already an ambition, but was prompted by greater international scrutiny; calls for more information from the EFEG, the FAO’s gap analysis on Myanmar legality assurance and then the critical EIA report, which was a real catalyst” said Mr Thomas. “Also key was growing openness and transparency in Myanmar generally. Previously we couldn’t penetrate beyond MTE depots. Since July we’ve had access to harvest documents, sub-contractor records, even forest management plans.”

There is, in fact, copious documentation back to extraction site.

“The fact MTE didn’t previously give access to it, doesn’t mean they didn’t keep comprehensive supply chain data, including for auction sales.” It’s mostly in the Myanmar language, much of it handwritten and very detailed”

Despite the complexity, DX maintains this information can form the basis of a nationwide internationally acceptable timber verification system and that there is genuine will among Myanmar authorities and industry



Sorting by length and grade after cutting.
PHOTO: DOUBLE HELIX



DNA testing – the potential next step.
PHOTO: DOUBLE HELIX

to put this in place. The EU and EU trade must also play their part, however.

“One issue is that importers and traders have sourced purely best quality teak, buying from various Myanmar sources to secure it, both third party verified and unverified,” said Mr Thomas. “To buy only verified, they may need to consolidate supply chains and accept less quality consistency per lot.”

DX believes DNA testing could also take root as part of Myanmar’s verification process and it is now in phase II of a project to build a tree genetic reference database in the country, in partnership with the University of Adelaide and local organisations, with funding from the Australian Centre for International Agricultural Research.

“So far it’s a small scale project, with the reference base being able to differentiate between three regions and phase II taking that to five,” said Mr Thomas. “To go further depends on funding, but we estimate covering all Myanmar extraction agencies would cost \$750,000.”

For a DX Myanmar teak log traceability example [CLICK HERE](#)

STOP PRESS

PEFC/Myanmar in joint project

PEFC International has announced a joint initiative with the Myanmar Forest Certification Committee (MFCC) to work on sustainable forest management in the country. The project will run for three years and “support ongoing reform in Myanmar’s forest sector”.

[CLICK HERE](#) for the project Prospectus