Legality Verification:
What Should Voluntary Programs Include?

2nd Potomac Forum on Illegal Logging & Associated Trade

Jeff Hayward, Verification Services Manager, SmartWood Program
Rainforest Alliance, 2008

Timber Production

Potential legal & SFM

Illegal

Certified

Today -------------- Time to comply ------------------- Future

Cost of compliance
We will ensure that as a minimum, any virgin material in our supply chain comes from legal sources.

It is Kingfisher policy to work with our suppliers of timber and timber-containing products to establish the origin of the wood used. Independently verifiable documentation must be provided.

IKEA minimum requirements on solid wood, veneer, plywood and layer glued wood:
- The origin of the wood must be known
- Wood must be produced in compliance with national and regional forest legislation

Companies undertaking commercial logging (from lands under their control) or primary processing of timber in “high risk” countries will be subject to standard compliance with law representation.

Trade participants will need to make public documented, time-bound commitments to phase out all trade in wood from unknown, illegal and controversial sources within 5 years.
High risk locations

Russia

China

Burma
Laos
Vietnam
Cambodia
Malaysia
Philippines
Indonesia
Papua
New Guinea

Honduras
Colombia
Ecuador
Peru
Brazil
Bolivia

Ghana
Ivory Coast
Cameroon
Gabon
C.A.R.
Congo
D.R.C.
Legality verification should be transparent

Legality verification (VLO/VLC) is an important first step towards industry wide transparency.
Standards for legal origin

Legal Right to Harvest

Planning Approvals

VLO

COC

Fees & Taxes
Standards for legal compliance

- Planning Approvals
- Legal Right to Harvest
- Costs of Compliance (COC)
- Harvesting Regulations
- Environmental Regulations
- Social & Labor Regulations
- Unauthorized Activities
- Trade Rules

VLO

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Standards for legal compliance

- Legal Right to Harvest
- Planning Approvals
- Harvesting Regulations
- Environmental Regulations
- Social & Labor Regulations
- Control of Unauthorized Activities
- Trade Regulations
- Fees & Taxes
- COC

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Legality verification (VLO/VLC) should be linked to a stepwise program of certification.
Legality verification should encourage progress

SmartWood should limit the time a company can receive VLO/VLC.
Stepwise from legality to certification

Potential legal & SFM

VLO

VLC

CW*

Certified

Cost of compliance

Time required to comply

0 5

*CW legal requirements may be less than VLC for some jurisdictions
Legality verification shouldn’t compete

Logos or claims should only be allowed in approved business communications

- Strongly Disagree
- Disagree
- Neutral
- Agree
- Strongly Agree

0%  5%  10%  15%  20%  25%  30%  35%  40%  45%  50%
Procedures & Policies

- Robust chain of custody back to harvest site
- Regular and frequent auditing (including spot checks)
- Communication and claims strictly controlled
- Public reporting on performance
- Recognition of customary rights and law
Process & Governance

- Inclusion of stakeholders in standards development
- Corruption, poor governance, improperly obtained rights
- Country specific standards should be developed
- Agreement on common international legality definition
- International oversight, accreditation, a single standard
Thank you…

www.rainforest-alliance.org

http://www.rainforest-alliance.org/forestry.cfm?id=legal_verification