



Validating legal conversion timber supply chains

When is it legal?

- It is conversion of state land, so it must be legal!
- There is a permit, so it is legal according to the legislation!
- Corruption was paid so it is illegal!
- Local communities were not properly consulted before the concession was issued, so it is illegal!



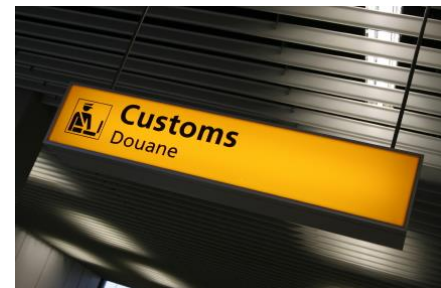


EU Definition:

“*legally harvested* means harvested in accordance with the applicable legislation in the ***country*** of harvest”

EU Definition of applicable legislation

- rights to harvest timber within legally gazetted boundaries,
- payments for harvest rights and timber including duties related to timber harvesting,
- timber harvesting, including environmental and forest legislation,
- third parties' legal rights concerning use and tenure, and
- trade and customs, in so far as the forest sector is concerned.



Note:

Only legislation related to **harvest** is considered.

What happened before and what happened after is not!





Assurance systems covering harvesting related legislation only are not efficient in addressing illegal conversion!



Wood can be legally harvested, while the logging site is converted illegally to other land uses after logging

- Conversion permits issued, forest cleared, but land never used for plantations or agricultural purposes.
- Conversion permit used to launder illegal harvested wood from other areas.



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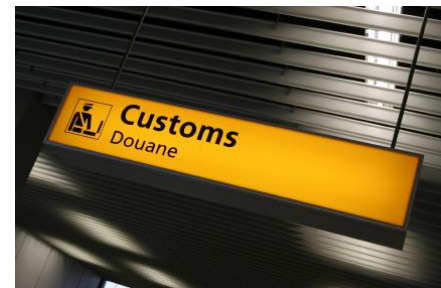


There is no major difference between validating legality of “normal” harvesting and harvesting in connection with conversion.

However, there may be specific conversion related legislation that should be considered

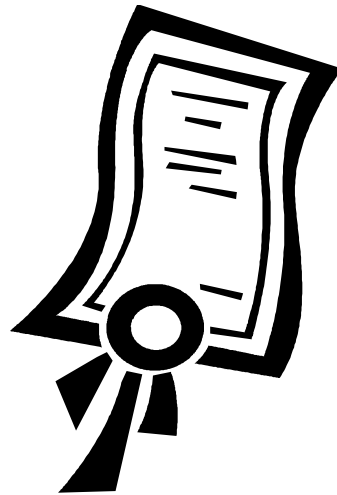
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Key challenge...

Integrity of information



Key challenge...

Corruption

In countries with high level of corruption you can get any stamp and any signature – it is just a matter of payment



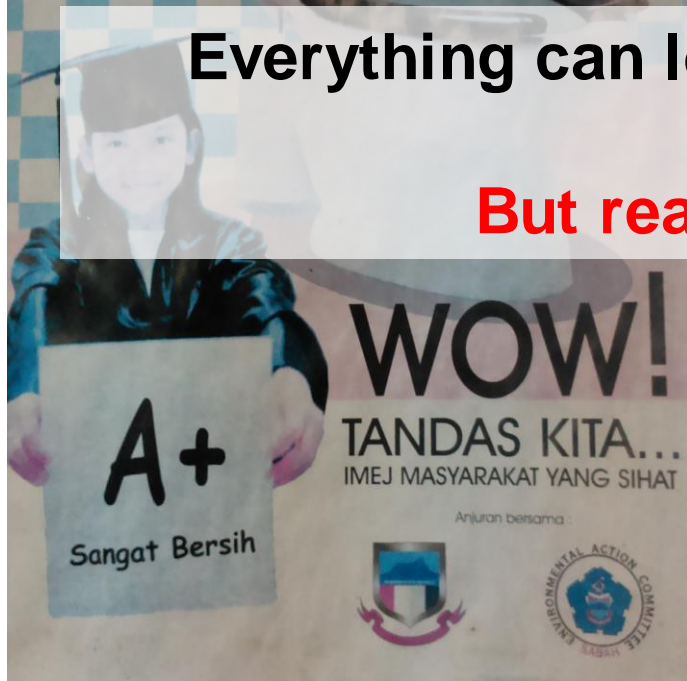
Key challenge...

Can you trust the information



Everything can look perfect on paper.

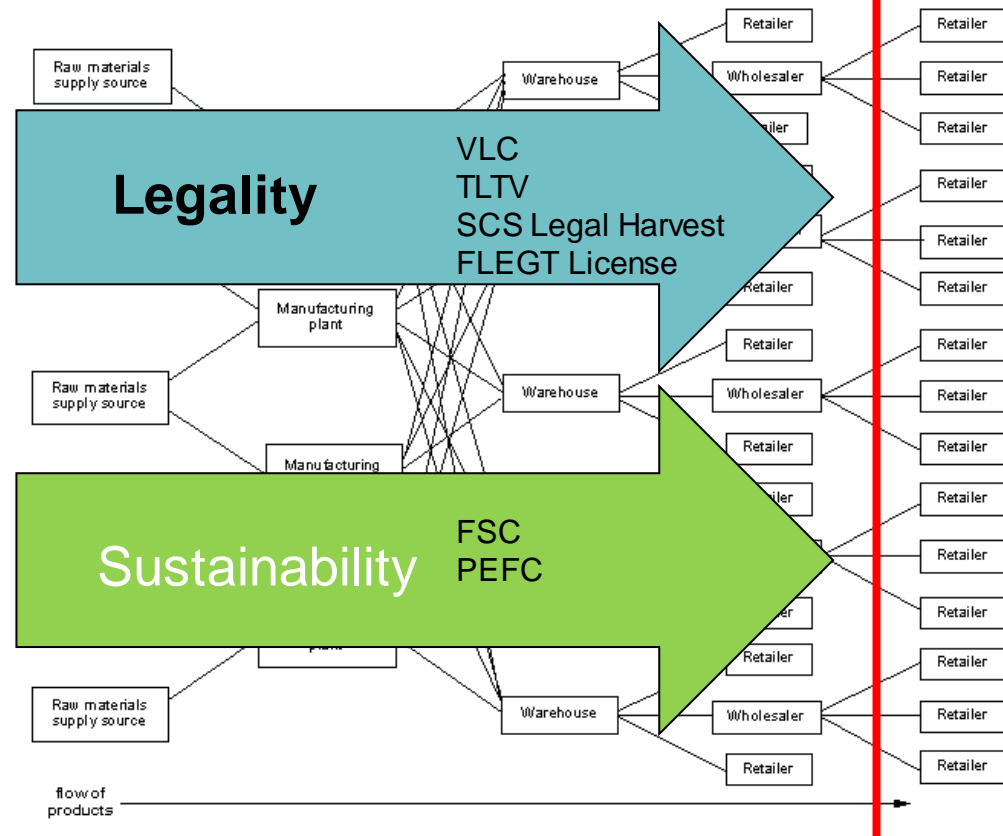
But reality matters



Legality verification

Domestic

Int. market

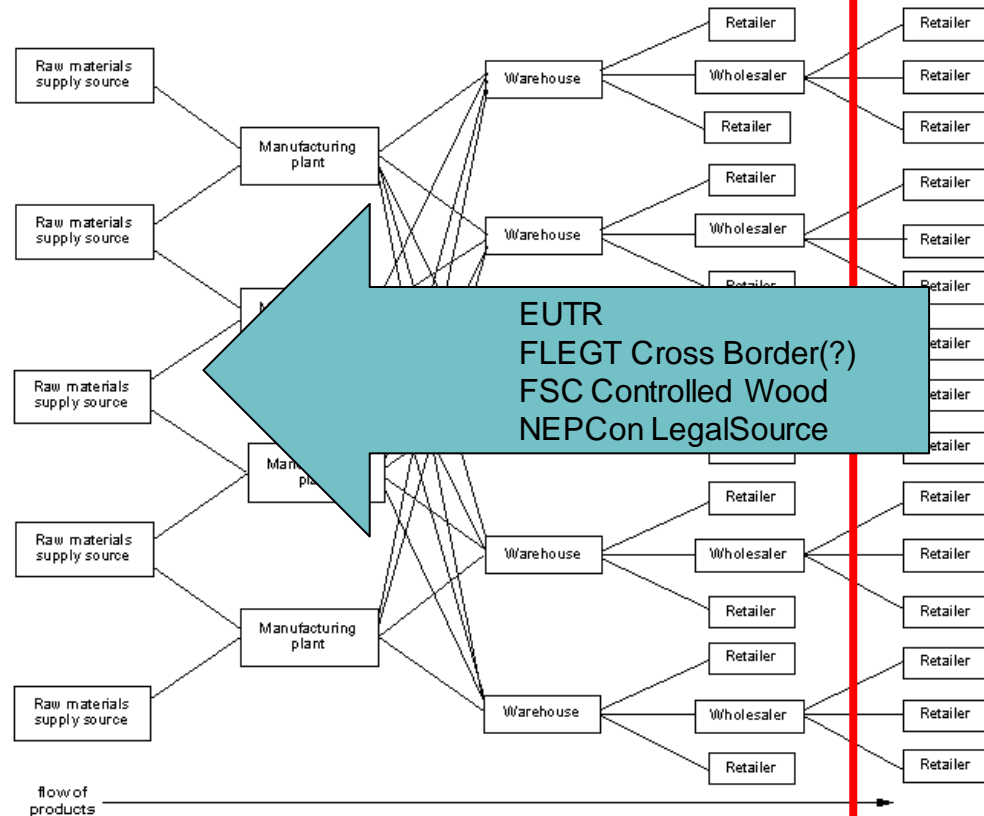


Due Diligence Systems



Domestic

Int. market



Risk evaluation

1 FOREST

Risk of legal violation in connection with the **forest management** and harvesting operations



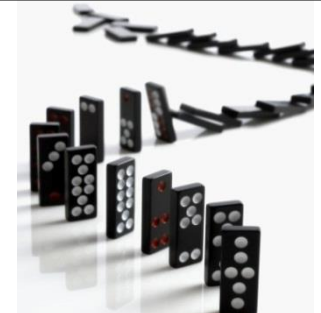
2 SUPPLY CHAIN

Risk of legal violation during **trade and transport** of the material (supply chain risks)

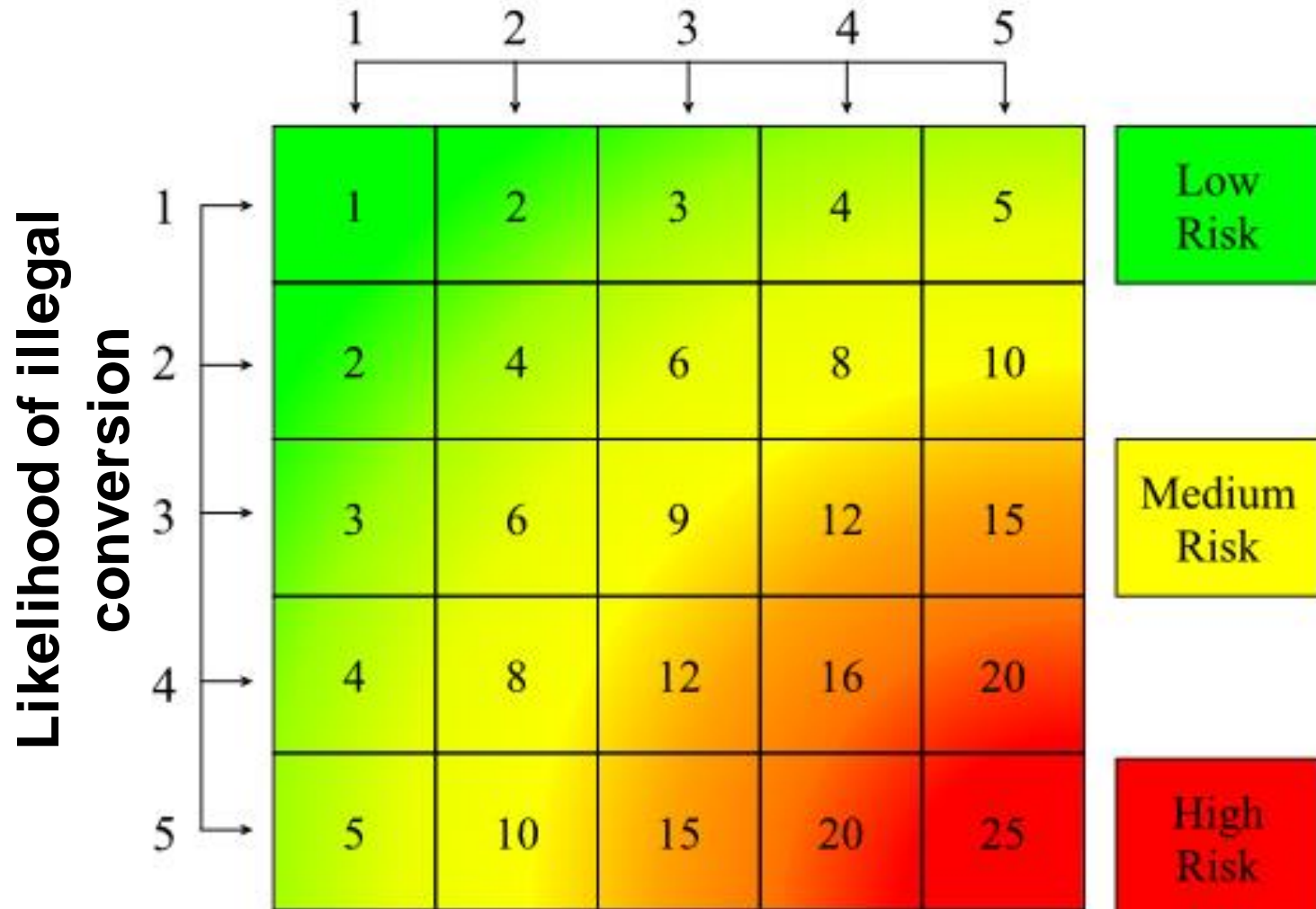


3 TRACING

Risk of **illegal material mixed** in the supply chain (CoC risks)



Species (value)





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Summary:

1. Validation of legal harvest is not an efficient mechanism to prevent illegal conversion.
2. Validation can follow normal procedures, but include check of conversion specific harvesting legislation.
3. Practice matters – not papers.
4. Risk based approach can be used to avoid high risk products.



A unique perspective

Thank you!

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