



THE REPUBLIC OF THE UNION OF MYANMAR
MINISTRY OF NATURAL RESOURCES AND ENVIRONMENTAL CONSERVATION

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Statement of Progress in Timber Legality Assurance in Myanmar

We confirm that Myanma Timber Enterprise (MTE), a state-owned enterprise under the Ministry of Natural Resources and Environmental Conservation (MONREC), has sole responsibility for extraction and sale of logs in Myanmar. Until 2015, however, MTE made use of contractors for some of its extraction activities. Following a nationwide logging moratorium during fiscal year 2016-17, the annual harvest level of all timber species will be reduced and MTE's use of contractors will cease.

Our current timber traceability system was designed to allow control of extraction and trading of timber and timber products from the forest of origin to point of export and we believe that the system serves this purpose.

We acknowledge, however, that the system may be complex for external parties to navigate. We are also aware that some European Union importers are facing challenges in accessing documentation needed to demonstrate the chain of custody of their purchases back to specific forest areas when exercising due diligence as required by the European Union Timber Regulation (EUTR).

We also acknowledge that mixing of logs from multiple sources at various points in supply chains may complicate tracing of timber supplies in exported products.

In this regard, MONREC is committed to streamlining our systems, including simplification of current hammer-marking, so that our exporters can clearly demonstrate to their customers that all our timber product exports comply with our laws. This commitment was reiterated during a meeting with international timber traders' federations held in Yangon on 18 February 2017.

MTE and Forest Department (FD) have formed a joint focal group and are preparing a dossier to assist operators. The dossier aims at clearly describing our traceability system. It will identify and explain each essential control point and provide samples of the documents used as evidence that the controls have been implemented and also how they link to each other. We believe that this, together with the identification of communication focal points, will improve accessibility of information to all stakeholders.

Myanmar has been working on developing a comprehensive Timber Legality Assurance System (MTLAS) that will meet international best practice standards. Over the last year, with the support of the UN Food and Agriculture Organization (FAO), we have been conducting an analysis of gaps between our MTLAS and best practices. On 17 February 2017, a workshop on the findings of Gap Analysis was held in Yangon. Stakeholders representing government institutions, Civil Society Organizations (CSOs) and the private sector discussed recommendations of the gap analysis report on our MTLAS, in order to identify concrete actions to be taken. The immediate action will be preparation of the dossier and streamlining our system as described above.

In further improving the MTLAS, we acknowledge the need for consultation with stakeholders. The Multi-Stakeholder Group now being formed in the framework of our Forest Law Enforcement, Governance and Trade (FLEGT) process will serve this purpose as a first step towards a Voluntary Partnership Agreement with the EU.

Win Zaw

For Union Minister

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Vice Permanent Secretary