



MFCC

2024-07-25

v1.00

STRENGTHENING SFM STANDARDS AND TIMBER LEGALITY FRAMEWORK IN MYANMAR

ITTO Project Number:	PP-A/56-342A
Host Government:	MYANMAR
Executing Agency:	MYANMAR FOREST CERTIFICATION COMMITTEE (MFCC)
Starting Date:	1 Feb 2021
Duration:	24 months + 12 months + 2 months extension
Project Cost:	US\$ 378,930
Place and date submitted:	Yangon, 25 July 2024

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1. Description of work implemented in the period

During this reporting period, the Myanmar Forest Certification Committee (MFCC) undertook a variety of initiatives to promote and advance sustainable forest management practices, training, and certification systems. Key accomplishments included the launch of forest management certification and Chain of Custody (CoC) training programs, along with participation in PEFC CoC training in Hanoi, Vietnam. This training focused on PEFC standards, due diligence systems, CoC methods, and multi-site certification.

MFCC, in collaboration with Green Gold Industry, developed and implemented the Digitalization of Timber Tracking System (DTTS), which included establishing a Training of Trainers (ToT) program. The committee also conducted comprehensive revisions of the Myanmar Timber Legality Assurance System (MTLAS) and the Myanmar Forest Certification Scheme (MFCS). Knowledge-sharing meetings and awareness-raising workshops were organized, and regular updates were provided through the MFCC website, newsletters, and social media platforms. Webinars and Newsletter 4 were published for stakeholders. Additionally, MFCC actively participated in national and international events to enhance communication and outreach efforts.

Regarding study visits and collaborations, MFCC organized a high-level study tour to Vietnam in March 2024. The delegation, led by the Deputy Permanent Secretary and Deputy Director-General of the Forest Department, included high-ranking officials from the Ministry of Natural Resources and Environmental Conservation (MONREC) and the Secretary of MFCC. They met with representatives from the Vietnam Forest Certification Office and the Department of Forestry in Hanoi. The visit included tours of small-holder private forest plantations, small-scale wood processing mills, and the Forest Science Central Northern Vietnam, with a focus on exploring policy and operational aspects related to plantations. The aim was to gather insights into Vietnam's forest policy development, particularly concerning Forest Certification and Timber Legality Assurance Systems.

In June 2024, the Secretary of the Myanmar Forest Certification Committee and a Technical Officer visited the Malaysia Timber Certification Council (MTCC). They met with the CEO and her team to understand MTCC's organizational structure, operational procedures, and financial stability, gaining insights and lessons from their experiences in overcoming challenges during the development and implementation of the certification system. Discussions included sharing experiences and addressing issues and challenges in operating the Malaysian Timber Certification Scheme (MTCS), along with strategies to manage them effectively.

Furthermore, MFCC hosted a webinar series and a closing workshop. In March 2023, the second Project Steering Committee meeting took place in Naypyitaw, facilitating in-depth discussions on project direction. Later, in November 2023, a Technical Committee meeting further informed strategic decisions. The full-day closing workshop on March 29, 2024, marked a significant milestone for the MFCC-ITTO project, bringing together key stakeholders to review the project's achievements.

2. Execution of the Workplan

2.1. Workplan Review

Section 2.1:

- i) **Shows in the original Project's Workplan the progress in implementation, by reference to the situation at the last date of the period covered by the Report.**

This project is dedicated to advancing the sustainable development, infrastructure, and governance of forests in Myanmar, with a primary focus on the effective implementation of the Myanmar Forest Certification Scheme (MFCS) and the Myanmar Timber Legality Assurance System (MTLAS).

The project aims to ensure the long-term sustainability of its outcomes by establishing viable certification systems, enabling the capacity-building interventions, and supporting the adoption of locally generated and cost-effective timber tracking technologies.

The project unfolds through three key outputs:

1. Enhanced Myanmar Certification and Timber Legality Assurance Systems:

- Initiatives to strengthen and refine the MFCS and MTLAS were set in motion.
- Activities included comprehensive training programs and the incorporation of digitalized timber tracking systems for increased efficiency and traceability.

2. Increased Capacity of Stakeholders in Monitoring and Verification:

- A focus was placed on building the capacity of essential stakeholders engaged in monitoring and verifying the sustainability and legality of timber and timber products.
- Training programs, workshops, and the development of a Training of Trainers (ToT) initiative contributed to this capacity-building effort.

3. Establishment and Operation of Effective Outreach and Communication Systems:

- Efforts towards establishing robust outreach and communication systems for the Myanmar Forest Certification Committee (MFCC).

- This involved regular updates on the MFCC website, quarterly newsletters, webinars, and active participation in national and international events related to timber legality assurance systems and sustainable forest management.

In the initial phase (February 2021 to February 2022), the project management team navigated challenges posed by the COVID-19 pandemic by adapting to virtual meetings and a hybrid office model. Following thoughtful reconsideration and feedback from the 1st Project Steering Committee (PSC) meeting, adjustments were made to the work plan. The project timeline was realigned with the new Yearly Project Objectives (YPO), and an extension of one year was proposed and subsequently approved at the 2nd PSC meeting.

Throughout this period, the project demonstrated resilience and adaptability, laying a strong foundation for the continued success of its multifaceted initiatives in subsequent phases.

ITTO detailed work plan as per New YPO			2024					Responsibility	Status
			Jan	Feb	Mar	April	May		
A 1	Gaps from external assessment reviewed and addressed							TD/CEO	
	1.1.1	Review the MTLAS Gap Analysis Report, and other assessment reports						TD/CEO	Activity completed
	1.1.2	Review the ASEAN Legality Standard (2019-Draft)						TD/CEO	
A 1.2	Define Expert Group Terms of References, stakeholder maps, agendas, workshops and conferences plans, as well as identifying (new) locations, beneficiaries and value chains for priority pilot tests and completing testing							TD/ MFCC	2 nd quarter to 4 th quarter of 2022
	1.2.1	Redefining the Legality Definition						TD/ MFCC	Activity completed
	1.2.2	Prepare TOR for Expert Group to review the MTLAS						MFCC	Activity completed
	1.2.3	Forming the Expert Group to review the MTLAS						MFCC	Constituted EAG/ completed
	1.2.4	Update the MTLAS Stakeholder Mapping						APA/TD	Activity completed
	1.2.5	Conduct the Expert Group Meetings						MFCC/ TD	Conducted the EAG meetings
	1.2.6	Conduct the Expert Round Table Meetings						MFCC/ TD	Activity completed
	1.2.7	Stakeholder Consultation Workshops						MFCC/ TD	Activity completed by August 2022
	1.2.8	Defining the new location of testing of MTLAS						MFCC/ TD	Activity completed
	1.2.9	Field Testing of MTLAS Version 2						MFCC/ TD	Activity completed
A 1.3	Prepare a technical paper for analysis of Myanmar timber legality requirements in internationally recognize timber legality system such as EU Due Diligence, US Lacey Act, Australia Illegal Logging Prohibition Act and Japan's Clean Wood Act							Consultant/ CEO/ TD/ MFCC	2 nd quarter to 3 rd quarter of 2023
	1.3.1	Technical paper for analysis of Myanmar Timber Legality requirements						Consultant/ CEO/ TD/ MFCC	Activity completed

A 1.4	Prepare a revised MTLAS and MFCS							TD/May/CEO/MFC C/ EAG	1 st quarter of 2021 to the 3 rd quarter of 2023
	1.4.1	Revised the MTLAS						TD/MFCC	Activity completed
	1.4.2	Approval of revised MTLAS by MFCC						MFCC/ TD	Activity completed
	1.4.3	Prepare the MTLAS Audit Forms/Checklist						TD/CEO/ MFCC	Activity completed
	1.4.4	Field testing of MFCS						May/CEO	Activity Completed
	1.4.5	Review/amendment MFCS						May/CEO/ MFCC	Activity in execution
A 1.5	Stakeholder Consultation on MTLAS and MFCS, and producing associated reports and feedback and incorporating in v2							TD/APA/ MFCC	2 nd quarter to 3 rd quarter of 2022
	1.5.1	Send out the revised MTLAS for the Stakeholder Consultations for (30 days)						TD/ MFCC	Activity completed
	1.5.2	Upload the feedback and comments from the Stakeholder Consultations on MFCC Website						APA/TD	Activity completed
A 1.6	Finalising system documentation and associated reporting, including a closing conference							Moh	start to implement in 1st, 2nd and 4th quarter of 2022
	1.6.1	Prepare the related documents of EAG and PSC groups (ToR, Member Nomination, etc.)						Moh	Activity completed
	1.6.2	Revision of the existing documents which are needed to revise in accordance with current situation. (e.g., PEFC reference documents such as issuance of PEFC logo usage)							Activity completed
	1.6.3	Draft the revised system documents							Activity completed
	1.6.4	Conduct Approval Process							Activity completed
	1.6.5	Prepare the related documents for the formation of impartiality committee (ToR, Member Nomination, etc)							Ongoing
	1.6.6	Translate all policies / SOP Documents (English to Myanmar Language)							Ongoing
	1.6.7	Produce new system documents (Internal Audit Procedure, internal audit checklist, MFCS and MTLAS related policy documents)							Activity completed (MFCS new documents have been produced)
	1.6.8	For MTLAS related documents, Produce Standard Setting Report, pilot testing reports, supporting guidance documents and auditing collateral						TD, Moh	Activity completed
A 2.1	Organise and conduct forest management certification training and CoC management system training							TD/May/CEO/ MFCC	2 nd quarter to 4 th quarter of 2022
	2.1.1	Design training curricula, training of trainers and devise strategy for immediate and long-term dissemination and training (FM and CoC).						TD/May/ MFCC	Activity Completed (two CBs attended PEFC CoC training)
	2.1.2	FMU certification training workshop and PEFC CoC workshop						TD/May/ MFCC	
	2.1.3	Deliver training to relevant stakeholders						TD/May/ MFCC	

A 2.2	Integration of digitalization of timber tracking system (DTTS) such as the application of QR Code within selected project target locations							MFCC/ Operators	start to implement in 3rd quarter of 2021 to the 2nd quarter of 2022
	2.2.1	Forming Technical Working Group, define TOR for the assessment of current QR Code system in the target locations						MFCC	Activities completed
	2.2.2	Assessment for current QR code						FD/MTE/Manufacturers/MFCC	Activity completed
	2.2.3	Explore the responsibilities of regulators (FD, MTE, Manufacturers).						FD/MTE/Manufacturers/ MFCC	Activities completed
	2.2.4	Consultation with the operators and trade departments to find the possible solution for the proposed DTTS system						MFCC/ Operators	Activities completed
	2.2.5	Prepare the draft proposal of DTTS						MFCC	Activities completed
	2.2.6	Prepare the available resources to develop the DTTS such as GPS device, Computers, PVC cards, QR Printers etc.						MFCC	Activities completed
	2.2.7	Finalise the activity reports						MFCC	Activities in completed (Training manual and Curriculum were published)
A 2.3	Training trainers and trainees for DTTS							MFCC/ Operators	start to implement in the 2nd quarter of 2021 to the 2nd quarter of 2022
	2.3.1	Select the specific areas with relevant timeline						MFCC/ Operators	Activities completed (plantation)
	2.3.2	Prepare training curriculums and materials for the DTTS trainings						MFCC	Activities completed
	2.3.3	Nomination of the potential trainers by regulators						MFCC	Activities completed
	2.3.4	Select the locations of the training including classrooms and fields						MFCC	Activities completed
	2.3.5	Conduct trainings and deliver the improvements and lesson learns from each area						MFCC	Activities completed
A 2.4	Delivering training and creating information materials and related capacity building and dissemination of the revised MTLAS (v2.00) and MFCS, including its endorsement by PEFC							TD/May/ CEO/MFCC	1 st quarter of 2021 to 4 th quarter of 2022
	2.4.1	Prepare the training materials and training plan						TD/May/ CEO/MFCC	Activities completed, but to be continued (Develop basic level awareness raising workshop plan for MFCS completed 4 times and MTLAS 4 times)
	2.4.2	Inform the related regulators and select the locations for the training programs						TD/May/ CEO/MFCC	Activities completed, but to be continued
	2.4.3	Conducting training, understanding survey and assessment from the participants						TD/May/ CEO/MFCC	Activities ongoing
	2.4.4	Invite CSO and interested stakeholders to be involved in the trainings						TD/May/ CEO/MFCC	Ongoing (MFCS/MTLAS)

	2.4.5	Finalise the training reports and upload the social media						TD/May/ CEO/MFCC	Ongoing
	2.4.6	MFCS endorsement by PEFC						May/ CEO	Activity in execution, Still suspended by PEFC
A 2.5	Certifying FMUs (mixed between MTLAS and MFCS) and manufactures (CoC)							TD/May/ MFCC	2 nd quarter to 4 th quarter of 2022
	2.5.1	Conduct training to CB for MTLAS, MFCS and CoC management system assessment						TD/May/ MFCC	Activity Completed
	2.5.2	Conduct training to the FD, MTE and operators related to the MTLAS, MFCS and CoC management system assessment						TD/May/ MFCC	Ongoing (MFCS/MTLAS)
	2.5.3	Finalize the certification process in targeted area for both MTLAS and MFCS as well as mill CoC						TD/May/ MFCC	Ongoing
A 2.6	Capacity building of the Department of Research and Innovation (DRI) to develop programmes for ISO accreditation for FMU and CoC in cooperation with Thai Industrial Standards Institute							Moh/MFCC	Implement in 2 nd quarter of 2022
	2.6.1	Coordination with DRI to develop ISO accreditation programmes						Moh/MFCC	Activity completed
	2.6.2	Learning tour to Thai Industrial Standard Institute						Moh/MFCC	Activity in completed
	2.6.3	Capacity Building and training for CBs						MFCC	Ongoing
	2.6.4	Finalize the accreditation process						MFCC	Ongoing
A 3.1	MFCC website and social media updated with news on project progress (and other key successes)							APA/MFCC	implement in both years (2021/2022)
	3.1.1	Maintain MFCC website/database and update news regularly						APA/ MFCC	Completed but the continuous implementation will be in process.
	3.1.2	Improve overall usability, functionality and content of the MFCC website							
	3.1.3	Update social media and everyday communication materials							
	3.1.4	Increase No of social media followers (substantive)							
	3.1.5	Create Google business listing on the Google Map							
	3.1.6	To get some good reviews and rating for the MFCC social media page and google listing							
	3.1.7	Storing digital documents into cloud (user permission and security setting as well)							
A 3.2	MFCC newsletter released every three months							APA/ Moh / MFCC	every quarter
	3.2.1	Prepare MFCC Newsletter format (template)						APA/ Moh / MFCC	Activity Completed
	3.2.2	Write the main articles, activities (Choose picture)							
	3.2.3	Create the layout design idea							
	3.2.4	Approved the articles, content							
	3.2.5	Choose designer, give the materials to designer							
	3.2.6	Publish the newsletter to the relevant stakeholders							

A 3.3	MFCC prepares and hosts webinars (at least three during the project lifetime)							Project Team	Implement in 1st quarter of 2021 as well as 1st & 4th quarter of 2022
	3.3.1	Support MFCC communication tools and helping Presentations						Project Team	Activity completed
	3.3.2	Helps prepare MFCC logistics and communication materials for the webinars and other events							Activity completed
	3.3.3	Create PowerPoint template for consistent and accurate delivery of messages from MFCC and branding purposes							Activity completed
	3.3.4	Write news articles about MFCC events						APA	Activity completed
	3.3.5	Complete stakeholder mapping and communications prioritization							Activity completed
	3.3.6	Create stakeholder mailing list(s) – Mail Chimp							Activity completed
	3.3.7	Create, maintain and update stakeholders contacts in regular basics							Activity in execution
	3.3.8	Stakeholder analysis and Mapping (need to update annually)							Activity completed
A 3.4	MFCC present at international and national events relating to timber legality assurance systems and SFM certification							Project Team/ MFCC	implement in the 3rd quarter of 2021 and 3rd quarter of 2022
	3.4.1	Support MFCC for logistics and communication arrangement						Project Team/ MFCC	Activity ongoing/execution
	3.4.2	Promote MFCC standards, systems and promotional materials							
	3.4.3	Create, maintain and update stakeholders contacts in regular basics							
	3.4.4	Project progress and general reports to stakeholders							
	3.4.5	Support supply chain partners - create and update communication, report							
	3.4.6	Write news articles about MFCC events							

2.2 Progress in implementation of the activities

Section 2.2:

provides for all the activities, which appear in the Project Document section 2.4 including the changes as presented in the YPO's, the estimated percentage of their implementation and the estimated completion date of those which have not been completed at the date of the Report.

Activities and Sub-Activities	Percentage executed	Originally planned completion date	Estimated completion date
A 1 Gaps from external assessment reviewed and addressed			
1.1.1 Review the MTLAS Gap Analysis Report, and other assessment reports	100	1 st quarter of 2021	-
1.1.2 Review the ASEAN Legality Standard (2019-Draft)	100		-
A 1.2 Define Expert Group Terms of References, stakeholder maps, agendas, workshops and conferences plans, as well as identifying (new) locations, beneficiaries and value chains for priority pilot tests and completing testing			
1.2.1 Redefining the Legality Definition	100	1 st quarter of 2021	-
1.2.2 Prepare TOR for Expert Group to review the MTLAS	100		-
1.2.3 Forming the Expert Group to review the MTLAS	100		-
1.2.4 Update the MTLAS Stakeholder Mapping	100		-
1.2.5 Conduct the Expert Group Meetings	100		-

1.2.6 Conduct the Expert Round table meetings	100		
1.2.7 Stakeholder Consultation Workshops	100		
1.2.8 Defining the new location of testing of MTLAS version 2	100		
1.2.9 Field testing of MTLAS Version 2	100		
A 1.3 Prepare a technical paper for analysis of Myanmar timber legality requirements in internationally recognize timber legality system such as EU Due Diligence, US Lacey Act, Australia Illegal Logging Prohibition Act and Japan's Clean Wood Act			
1.3.1 Technical paper for analysis of Myanmar Timber Legality requirements in internationally recognized timber legality system	100	2 nd quarter to 3 rd quarter of 2022	
A 1.4 Prepare a revised MTLAS and MFCS			
1.4.1 Revised the MTLAS	100	2nd quarter of 2021 to the 4 th quarter of 2022	
1.4.3 Prepare the MTLAS Audit Form Checklist	100	2 nd quarter of 2021 to the 4 th quarter of 2022	
1.4.4 Field testing of MFCS	100		
1.4.5 Review/amendment MFCS <ul style="list-style-type: none">SFM Standard (Myanmar Version)SFM Standard Checklist/Audit FormMyanmar National Standard (SFM Standard)	80 100 100	1 st quarter of 2021 to the 3 rd quarter of 2022	3 rd quarter of 2024
A 1.5 Stakeholder Consultation on MTLAS and MFCS, and producing associated reports and feedback and incorporating in v2			
1.5.1 Send out the revised MTLAS for the Stakeholder Consultations for (30 days)	100	2 nd quarter to 3 rd quarter of 2022	
1.5.2 Upload the feedback and comments from the Stakeholder Consultations on MFCC Website	100		
A 1.6 Finalising system documentation and associated reporting, including a closing conference			
1.6.1 Prepare the related documents of EAG and PSC groups (ToR, Member Nomination, etc.)	100	1st, 2nd and 4th quarter of 2022	
1.6.2 Revision of the existing documents which are needed to revise in accordance with the current situation. (e.g., PEFC reference documents such as issuance of PEFC logo usage)	100		
1.6.3 Draft the revised system documents	100	1st, 2nd and 4th quarter of 2022	
1.6.4 Conduct approval process	100		
1.6.5 Prepare the related documents for the formation of impartiality committee (ToR, Member Nomination, etc)	80		4 th quarter of 2024
1.6.6 Translate all policies / SOP Documents (English to Myanmar Language)	40		3 rd quarter of 2024
1.6.7 Produce new system documents (Internal Audit Procedure, internal audit checklist, MFCS and MTLAS related policy documents)	100		
1.6.8 For MTLAS related documents, Produce Standard Setting Report, pilot testing reports, supporting guidance documents and auditing collateral	90		3 rd quarter of 2024
A 2.2 Integration of digitalization of timber tracking system (DTTS) such as the application of QR code within selected project target locations			
2.2.1 Forming Technical Working Group, define TOR for the assessment of current QR Code system in the target locations	100	start to implement in 3 rd quarter of 2021 to the 2 nd quarter of 2022	
2.2.2 Assessment of the current QR Code	100		
2.2.3 Explore the responsibilities of regulators (FD, MTE, Manufacturers).	100		
2.2.4 Consultation with the operators and trade departments to find the possible solution for the proposed DTTS system	100		
2.2.5 Prepare the draft proposal of DTTS	100		
2.2.6 Prepare the available resources to develop the DTTS such as GPS device, Computers, PVC cards, QR Printers etc	100		
2.2.7 Finalise the activity reports	100		
A 2.3 Training trainers and trainees for DTTS			
2.3.1 Select the specific areas with relevant timeline	100	2nd quarter of 2021 to the 2nd quarter of 2022	
2.3.2 Prepare training curriculums and materials for the DTTS trainings	100		
2.3.3 Nomination of the potential trainers by regulators	100		
2.3.4 Select the locations of the training including classrooms and fields	100		

2.3.5 Conduct trainings and deliver the improvements and lesson learns from each area	100		
A 2.4 Delivering training and creating information materials and related capacity building and dissemination of the revised MTLAS (v2.00) and MFCS, including its endorsement by PEFC			
2.4.1 Prepare the training materials and training plan	100	1 st quarter of 2021 to 4 th quarter of 2022	
2.4.2 Inform the related regulators and select the locations for the training programs	100		
2.4.3 Conduct training, understanding survey and assessment from the participants	100		
2.4.4 Invite CSO and interested stakeholders to be involved in the trainings	60		
2.4.5 Finalize the training reports and upload social media	80		3rd quarter of 2024
2.4.6 MFCS endorsement by PEFC	60	1st quarter of 2021 to 4th quarter of 2022	4th quarter of 2024
A 2.5 Certifying FMUs (MTLAS/MFCS and CoC)			
2.5.1 Conduct training to CB for MTLAS, MFCS and CoC management system assessment	80	2 nd quarter to 4 th quarter of 2022 (1 st quarter to 3 rd quarter of 2023)	3 rd and 4 th quarter of 2023 (MTLAS and MFCS finished)
2.5.2 Conduct training to the FD, MTE and operators related to the MTLAS, MFCS and CoC management system assessment	80		4 th quarter of 2023
2.5.3 Finalize the certification process in targeted area for both MTLAS and MFCS as well as mill CoC	0		3 rd and 4 th quarter of 2023
A 2.6 Capacity building of the Department of Research and Innovation (DRI) to develop programmes for ISO accreditation for FMU and CoC in cooperation with Thai Industrial Standards Institute			
2.6.1 Coordination with DRI to develop ISO accreditation programmes	100	Implement in 2nd quarter of 2022	3 rd quarter of 2023
2.6.2 Learning Tour to Thai Industrial Standard Institute	100	Implement in 2 nd quarter of 2022	3 rd quarter of 2023
2.6.3 Capacity Building and training for CBs	80	Implement in 2 nd quarter of 2022	3 rd quarter of 2023
A 3.1 MFCC website and social media updated with news on project progress (and other key successes)			
3.1.1 Maintain MFCC website/database and update news regularly		Implemented throughout the project	
3.1.2 Improve overall usability, functionality and content of the MFCC website			
3.1.3 Update social media and everyday communication materials			
3.1.4 Increase No of social media followers (substantive)			
3.1.5 Create Google business listing on the Google Map			
3.1.6 To get some good reviews and rating for the MFCC social media page and google listing			
3.1.7 Storing digital documents into cloud (user permission and security setting as well)			
A 3.2 MFCC newsletter released every three months			
3.2.1 Prepare MFCC Newsletter format (template)	100	every quarter	Quarterly
3.2.2 Write the main articles, activities (Choose picture)	100		
3.2.3 Create the layout design idea	100		
3.2.4 Approved the articles, content	100		
3.2.5 Choose designer, give the materials to designer	100		
3.2.6 Publish the newsletter to the relevant stakeholders	100		
A 3.3 MFCC prepares and hosts webinars (at least three during the project lifetime)			
3.3.1 Support MFCC communication tools and helping Presentations	100	1st quarter of 2021 as well as 1st & 4th quarter of 2022	
3.3.2 Helps prepare MFCC logistics and communication materials for the webinars and other events	100		
3.3.3 Create PowerPoint template for consistent and accurate delivery of messages from MFCC and branding purposes	100		
3.3.4 Write news articles about MFCC events	100		
3.3.5 Complete stakeholder mapping and communications prioritisation	100		
3.3.6 Create stakeholder mailing list(s) – Mail Chimp	100		

3.3.7 Create, maintain and update stakeholders contacts in regular basics	100	
3.3.8 Stakeholder analysis and Mapping (need to update annually)	100	

2.3 Inputs applied

Section 2.3:

i) comments on Project financial statement

The major expenses are under project personnel's which reached the amount of 72000 for the 18 months. For the first 12 months, the physical activities were restricted to be in line with the Government's preventive measures against the pandemic Covid-19 and also because of the impact of the political development. Starting from the January 2022, MFCC has conducted more fruitful and important meetings/workshops. Totally for the whole project periods are as follows;

(1) EAG meetings	15 Times
(2) DTTS	13 Times
(3) Stakeholders' workshops	4 Times
(4) PSC	2 Times
(5) Expert Round Table Meetings	1 Time
(6) Consultation Meeting for TLAS with *IGES	6 Times
(7) Trainings	10 Times
(8) Knowledge Sharing	4 Times
(9) Project Technical Committee	1 Time
(10) Closing Workshop	1 Time

*IGES-Institute for Global Environmental Strategy, Japan

Most of events are conducted under hybrid methods except the expert round table meeting. As a result, MFCC expended more for online facilities and meeting fees, such as ZOOM, Internet Data, Event facility and Participatory Fees, etc. and IT hardware.

ii) comments on the cash flow situation as a result of received funds from ITTO

MFCC has received the total amount of **USD 314,680** including the direct remittance of USD 27,600 to the consultant; the first instalment of USD 100,000, the second instalment of USD 80,000, the third instalment of USD 70,000 and the final instalment of USD 37,080 to MFCC. So far, MFCC has expended:

Budget Heading Subject Amount (USD)

Budget Code	Heading	Amount (USD)
10(11)	Project Personnel	152,000
14	International Consultant (SFM/Legality/CoC technical expert)	19,200
30(31.1/31.4/32.4/33.1/33.4)	Duty Travel	41,926.99
40(44.1/44.3/44.5/44.6/44.7)	Capital Equipment	38,746.67
60(61/63/64/67.1/67.2/67.3/67.4/68)	Miscellaneous	38,187.58
Total		290,061.24
Fund Balance		2,4618.76

2.4 Outputs Achievement

Activities for Output 1

1.1 GAPS from external assessment reviewed and addressed

The Project Management team reviewed the MTLAS Gap Analysis Report, and other assessment reports such as “Evaluation of CoC Dossier and MTLAS”, “A Timber Legality Framework for Myanmar”, the ASEAN Legality Standard (2019-Draft)/2020 version. The current assessment of the MTLAS revised version has been approved by EAG meeting on 3rd of June 2022 and agreed by MFCC members meeting on June 13th 2022.

1.2 Define Advisory Group Terms of References, stakeholder maps, agendas, workshops and conferences plan, as well as identifying (new) locations, beneficiaries and value chains for priority pilot tests and completing testing;

The project management team has prepared the respective Terms of References (TOR) for the Project Steering Committee (PSC) and Expert Advisory Group (EAG), constituting the EAG in September 2021. Following the Project Work Plan, the team updated the MTLAS Stakeholder Mapping Lists and conducted monthly EAG meetings. During these meetings, the EAG members discussed and approved the timber legality definition for MTLAS Version 2, based on international standards.

MFCC planned to implement pilot testing of MTLAS and MFCS in a private plantation. Among the private plantations, National Resources Development Co. Ltd (NRDC) showed strong interest in the legality and

SFM certification process. Consequently, the project management team selected the NRDC plantation site for testing MTLAS Version 2. The team met with NRDC representatives and shared their experience from assessing the Phyo Si Thu plantation against the MFCS standard, conducted during the MFCC-PEFC project. They also reviewed the MFCS standard during the MFCC-ITTO project.

On October 8, 2023, the project management team, in collaboration with United Forestry Services and Nature Watch Co. Ltd, conducted pilot testing of MTLAS and MFCS at the NRDC private teak plantation. Located in Aingdon Kun Reserved Forest, Kyauktaka Township, Bago Region, this plantation is currently in the thinning stage and cannot export timber internationally. Nature Watch Co. Ltd led the pilot testing of MTLAS, conducting a preliminary assessment using the MTLAS Version 2 audit form. The team assessed MTLAS forest operations against principles 1, 2, and 3. On October 27, they continued the assessment of MTLAS timber processing against principles 3, 4, 5, and 6 at Diamond Mercury Wood Products Ltd., which processes timber from the NRDC plantation's thinning operations. The pilot testing report will be released soon.

On February 7, 2024, the team, in collaboration with two certification bodies—United Forestry Services and Nature Watch Co. Ltd—conducted pilot testing in a state-owned plantation for the DTTS pilot testing. This testing was performed in accordance with MTLAS v2.00 for forest operations. The initiative aimed to achieve project goals by testing in private plantations, natural forests, and state-owned plantations.

1.3 Prepare a technical paper for analysis of Myanmar timber legality requirements in internationally recognized timber legality systems such as EU Due diligence, US Lacey Act, Australia Illegal Logging Prohibition Act and Japan's Clean Wood Act)

Technical Papers Compiled by the MFCC During the Project Period.

The Myanmar Forest Certification Committee (MFCC) has successfully contributed two significant technical papers during the project period.

The first paper, titled “Forests, Timber Sources, and Supply Chains of Myanmar: Opportunities and Constraints to Ensure Legal Origin of Timber,” is featured as Chapter 24 in the ITTO publication *TEAK IN MEKONG FOR A SUSTAINABLE FUTURE*. This research was conducted by Mr. Taiji Fujisaki, the Research Manager from the Biodiversity and Forest Area at the Institute for Global Environmental Strategies (IGES) Japan. Due to COVID-19 travel restrictions, Mr. Fujisaki was unable to visit Myanmar for an on-ground

fact-finding mission. To facilitate his research, the Project Technical Team, led by the Secretary of MFCC, Mr. Barber Cho, conducted a series of online meetings. These virtual engagements provided Mr. Fujisaki with necessary information and clarifications. Although the exact number of Zoom meetings held is unspecified, these interactions were instrumental for both the research and the project team, serving as a productive preliminary exercise. The content of this technical paper is aligned with the project titled “Strengthening SFM Standards and Timber Legality Framework in Myanmar. Chapter 24 of this publication was printed and distributed to participants at the closing workshop.

The second technical paper, compiled by the International Consultant of the MFCC-ITTO project, summarizes the findings and provides recommendations based on a gap analysis report for MTLAS v2. This analysis compares Myanmar's Timber Legality Assurance System (MTLAS) with internationally recognized timber legality systems, such as the EUDR, the Australian Illegal Logging Prohibition Act 2012, the U.S. Lacey Act, the Japan Clean Wood Act, and Korea's Revised Act on the Sustainable Use of Timbers. Completed in the first quarter of 2024, this paper is timely as timber-producing countries face challenges with the EUDR. It also provides guidance on how Myanmar can expand its market to Japan, Korea, and Australia amidst the political market access denial by the USA and the EU.

These efforts underscore the MFCC's commitment to enhancing sustainable forest management and ensuring timber legality, crucial for Myanmar's market expansion and compliance with international standards.

1.4 Prepare a revised MTLAS (v2.00) and MFCS

MTLAS Update:

Reviewing and Revising of MTLAS

The previous assessment reports on MTLAS were reviewed, and Expert Advisory Group (EAG) meetings were conducted. The revised version of MTLAS was approved during the EAG meeting on June 3rd and subsequently agreed upon by MFCC members during the June 13th meeting. A full-day expert round table meeting was held to update and address gaps in MTLAS - 2013, where the possibility of independent third-party monitoring in the MTLAS assessment was discussed. Following this meeting, the revised MTLAS version 1.03 entered the public consultation stage. Feedback from this stage was reviewed during the EAG meeting on September 9th, 2022. Additionally, the Myanmar language version of MTLAS 2.00 was approved

by the EAG meeting on December 27th, 2022. Both the Myanmar and English language versions were ratified during the 2nd MFCC meeting on January 11th, 2023.

The project management team developed the first draft of the MTLAS Audit Form/Checklist based on MTLAS Standard version 2.00. This draft is intended to serve as a reference for Certification Bodies (CBs) during the assessment process. On June 2nd, 2023, MFCC called a meeting with notified CBs to explain the revised Audit Form/Checklist, MTLAS Standard version 2.00, and the compliance rating applied in the audit form. During this meeting, the project team discussed the need for CBs to complete the remaining verifiers in the draft audit form. On July 27th and 28th, MFCC conducted participatory training on MTLAS and MFCS for CBs, discussing how to assess against the MTLAS and MFCS audit forms.

Certification Bodies (United Forestry Services Co. Ltd and Nature Watch Co. Ltd) used the first draft of the MTLAS audit checklist/form during the pilot testing process. The audit form will be finalized based on comments and findings from the preliminary assessment of MTLAS version 2. The project management team finalized the first draft of the MTLAS audit checklist by considering findings from pilot testing. While the certification body is responsible for developing the audit checklist, MFCC initiated it to ensure accessibility. Based on the final draft, certification bodies can add information if needed.

MFCS Update:

Myanmar Criteria and Indicators for Forest Management Certification (Myanmar Version)

An English version of the "Myanmar Criteria and Indicators for Forest Management Certification (2020)" was approved on June 19th, 2020. The project management team is currently translating the standard into Myanmar, with approval expected shortly according to the MFCC standard setting policy.

Myanmar Criteria and Indicators for Forest Management Certification Standard Checklist/Audit Form

The project management team is finalizing the Checklist/Audit Form (Draft) based on the "Myanmar Criteria and Indicators for Forest Management Certification (2020)". MFCC internal meetings have reviewed and revised the verifiers step by step. The "Myanmar Criteria and Indicators for Forest Management Certification (2020)" Checklist/Audit Form will be approved according to the MFCC standard setting policy. On July 27th and 28th, MFCC conducted participatory training on MTLAS and MFCS audit forms for CBs and NRDC. The Checklist/Audit Form for Private Plantations is currently being revised based on comments from this training

and pilot testing. Subsequently, the project management team finalized and revised the Checklist/Audit Form for Plantation and Natural Forests (First Draft) version.

Myanmar National Standard (MMS 32:2022 Myanmar Criteria and Indicators for Forest Management Certification)

MFCC submitted the “Myanmar Criteria and Indicators for Forest Management Certification Standard (2020)” and the “Myanmar Timber Legality Assurance System (2013)” to the Standards Development Division of the National Standards and Quality Department under the Department of Research and Innovation, Myanmar, to define Myanmar National Standards. In accordance with duties and functions outlined in Section 5, Article b, and the vested mandate of Section 33, Article b of the Law on Standardization, the National Standards Council endorsed the “Myanmar Criteria and Indicators for Forest Management Certification Standard (2020)” as Myanmar National Standard “MMS 32:2022 Myanmar Criteria and Indicators for Forest Management Certification” in May 2022. To promote certified forests and sustainable forest management certification, the certification process by Myanmar National Standard, Myanmar Forest Certification Scheme will be implemented. MFCC conducted basic level awareness-raising workshops for “MMS 32:2022 Myanmar Criteria and Indicators for Forest Management Certification” for all stakeholders according to project stakeholder mapping lists. These workshops were held on October 13th and 14th, 2022, and again on November 11th, 2022, using a hybrid approach (online/physical) for both internal and external stakeholders from the project’s stakeholder mapping, including the Forest Department, Myanmar Timber Enterprise, Certification Bodies, Private Plantation Owners, and international and local NGOs.

Pilot Testing for MFCS

Due to unforeseeable circumstances and inaccessibility to natural forest areas, pilot testing for MFCS changed the focus from the natural forest to the private plantations. The pilot test was conducted at the National Resources Development Company Ltd. (NRDC) private plantation. Compliance audits were performed through field testing, document review, and verification against the MFCS. On August 4th, 2023, assessments of NRDC plantation documentation were conducted in Yangon as part of the participatory training. The audit team visited the plantation sites on October 8th and 9th, 2023, conducting assessments of documentation, interviews, and site inspections for the NRDC private plantation, which spans 448.5 acres and was established in 2009, located in Aingdon Kun Reserved Forest, Kyauktaga Township, Bago Division. The main challenge for assessing the private plantation under MFCS was the limited accessibility to the entire plantation area.

1.5. Stakeholder consultations and consensus on MTLAS and MFCS, and producing associated reports and feedback and incorporating in v2 (new version)

After the Expert Advisory Group (EAG) and MFCC members approved the revised draft version of MTLAS, the project team initiated stakeholder consultations. Starting on June 28th, 2022, the new version was distributed for a 45-day consultation period in accordance with the MFCC Standard-Setting Policy (MFCC P 3 SS). MTLAS version 1.03 was also translated into Myanmar with the assistance of a freelancer. The project team then reviewed and summarized feedback from various stakeholders, which the EAG considered for the standard's revision.

Key changes from MTLAS version 1.03 to version 2.00, based on public consultation feedback, included adding responsibility roles for each indicator, some criteria, and minor numerical adjustments. During the 13th EAG meeting, the Myanmar translation of MTLAS draft version 2.00 was approved. The project team finalized MTLAS draft version 2.00 in both Myanmar and English, securing approval at the 2nd MFCC committee meeting on January 27th, 2023. The finalized MTLAS version 2.00 in both languages was then uploaded to the MFCC website.

The project team have acknowledged and uploaded feedback from stakeholders on the MFCC website in accordance with the Standard-Setting Policy. Upon final approval of MTLAS version 2.00 by the EAG and MFCC members, the project team prepared and produced the MTLAS Standard Setting Report. Feedback and suggestions from expert round meetings and public consultations was incorporated as checklists and verifiers in MTLAS version 2.00.

Additionally, the MTLAS system has been submitted to the Department of Research and Innovation (DRI) Standards for recognition as a National Standard in Myanmar. The MFCC team and the Wood-Based Products Technical Committee within the Standardization Division of DRI convened a meeting to review the status of MTLAS version 2.00, which is currently undergoing public inquiry.

1.6. Finalising system documentation and associated reporting including a closing conference.

During the first year of the MFCC-ITTO project, the project management team revised seven system documents, which were approved during the 4th EAG meeting at the initial approval stage. Additionally, the related documents for the impartiality committee were prepared, and the translation process is underway.

The remaining documents—Implementation Arrangement, Trademark Manual, and Issuance of PEFC Logo Usage Licence by MFCC—were approved during the 10th EAG meeting. The revision of the “Certification Body Requirements for MTLAS” has been suspended due to the duration of the certification bodies’ accreditation process and extraordinary events, as outlined in MFCC-ITTO project objective (2.6).

In January 2023, the revised system documents were submitted for final approval during the 2nd MFCC meeting, where they were approved by MFCC members. According to the Stakeholder Engagement and Public Document policy, MFCC made a range of documents publicly available to ensure transparency, accountability, and to gather feedback and comments. These documents have been uploaded to the MFCC website.

During the MFCC-ITTO project, the project management team prioritized the review and revision of system documents related to MFCS and MFCC. With the release of MTLAS version 2.00, the revision of related documents (e.g., Guidance Document, Certification Body Requirements) is ongoing and will need to undergo step-by-step approval processes again. The implementation and development of standards and system documents is a continuous activity. The related documents for the formation of the impartiality committee are currently in draft stage.

The project management team is preparing the MTLAS Standard Setting Report and revising related documents, with pilot testing of MTLAS version 2.00 to be conducted soon. The MTLAS field testing reports will follow, and related documents for MTLAS version 2.00 will be finalized and released shortly.

In December 2023, the project team, in collaboration with our International Consultant, thoroughly reviewed and revised all system documents. With the release of MTLAS version 2.00, the team reviewed and developed new documents crucial for the MFCS endorsement process. Each document underwent meticulous approval steps during MFCC meetings. The finalized set of eleven approved system documents includes:

1. Implementation Arrangement
2. Guiding Principles
3. Application Guidelines
4. CB Non-conformance and Observations

5. Certification Body Assessment
6. MTLAS Certification Body Application
7. MTLAS Notification of CB
8. MTLAS Certification Body Requirements
9. MFCS Certification Body Application
10. Notification of CB (SFM and CoC)
11. Accreditation and Certification Body Requirements (SFM and CoC)

These documents will soon be uploaded to the MFCC website for public access. This transparency initiative aims to solicit feedback and comments from stakeholders, aligning with MFCC's commitment to accountability and openness.

Activities for Output 2

2.1 Organise and conduct forest management certification training and CoC management system training

The process of organizing and conducting forest management certification training and Chain of Custody (CoC) management system training was carried out, with the hiring of an international consultant. According to the new Yearly Plan of Operations (YPO), these training sessions were to be implemented from the fourth quarter of 2022 throughout 2023.

MFCC, along with our notified certification bodies (United Forestry Services Co. Ltd and Nature Watch Co. Ltd), participated in the PEFC Chain of Custody Initial Training held in Hanoi, Vietnam, from September 19 to 20, 2023. Additionally, the Myanmar Accreditation Body (MAB) joined the training as observers. The delegation focused on PEFC revised standards, due diligence systems, CoC methods, and multi-site certification. MFCC's participation in this training aimed to achieve PEFC CoC Registered Certification Body status. (During the trip, MFCC has successfully facilitated the joint-assessment programme between Myanmar Accreditation Body and Vietnam Accreditation Body of Bureau of Accreditation).

2.2 Integration of digitalization of timber tracking systems (DTTS) such as the application of QR code within selected project target locations;

The integration of digitalization of timber tracking systems (DTTS), including the application of QR codes within selected project target locations, has progressed significantly. DTTS working group members discussed various solutions for the DTTS process and conducted a field visit to Green Gold Industry (GGI), a private company that successfully initiated software applications to monitor manufacturing operations. This system records yield, specification, quality, quantity, and source of timber for overseas buyers. Prior to this visit, the MFCC team held a consultation meeting with the GGI team to ensure the traceability requirements covered the forest, transportation, and manufacturing stages.

As part of the DTTS process, preparing and developing a proposal report was identified as a necessary sub-activity. This process was explained to DTTS members during the 8th DTTS meeting, leading to the development of three proposal reports for pilot testing the DTTS process. The management team reviewed and consolidated these reports into a main proposal report for pilot testing.

Dekkhina district was selected as the priority area for pilot testing. DTTS members discussed the implementation, noting that while there was no residual timber at the depot currently, the system would still be tested. Myanmar Timber Enterprise conducted pre-testing of the QR code process to observe the linkage between the extraction department and the Export Marketing and Milling Department at the South Dagon Depot. The private sector is testing a Telegram Bot application to track the DTTS system. Necessary equipment will be purchased based on the budget and resource availability.

The project management team is working to achieve one of the DTTS indicators: "DTTS from source to manufacturing operational in at least 50% of project intervention locations (including Community Forests and Plantations)." The implementation of pilot testing of the DTTS system will also take place in the same pilot area as MTLAS and MFCS, specifically the NRDC private plantation. This approach has been agreed upon by the DTTS technical working group members. Following the implementation of DTTS's Training of Trainers (ToT) and pilot testing, the team will develop a DTTS activity report.

Pilot testing for Part (1) within the forest was conducted at the National Resources Development Company (NRDC), a private teak plantation. The Digitalization of Timber Tracking System traces timber from the stump (source of origin) to export. The location of the standing tree (latitude/longitude) is crucial in this stage. For

the NRDC plantation, the location of a 100-acre plot (5/2009) was tested and marked using GPS as it is still in the thinning stage. Additional pilot testing in natural forests is scheduled for the end of December. MFCC has acquired six GPS devices for the Forest Department and Myanmar Timber Enterprise to aid in DTTS development. Three devices were officially transferred to the Director General of the Forest Department, with more equipment such as GPS devices, computers, PVC cards, and QR printers to be provided soon.

The pilot testing of steps "Within the Forest - SF Marking, Permit to Enter the Forest and to Conduct Harvesting Operations, Tree Felling, etc." involved selecting the extraction agency by the DTTS Technical Working Group and Expert Advisory Group. Following discussions with the extraction department of Myanmar Timber Enterprise (MTE), Shwe Taung Unclassified Forest was identified as the suitable location for real-time DTTS pilot testing due to its accessibility.

From February 5 to 7, 2024, DTTS real-time pilot testing was conducted at the 1/1987 state-owned teak plantation in Shwe Taung Unclassified Forest, Pyay Extraction Agency, Bago Region. This collaborative effort included MFCC, the Forest Department, Myanmar Timber Enterprise, and Certification Bodies. The objective was to demonstrate enhanced timber harvesting practices in real-time and establish traceability using the DTTS process. During the testing, QR codes were affixed to 13 standing trees and 33 logs produced from these trees. Part (II), focusing on transportation, involved assessing procedures at Hmawbi Forest Gate in Yangon. Part (III), covering storage and inside processing facilities, is scheduled for the continuation as post-project activities.

DTTS Partner from the private sector also developed the Telegram Bot- a digital channel which share the all documents from the harvesting, transportation, manufacturing and export procedure as a pilot programme. Since it covered all the documents, MFCC is currently discussing with Forest Department for the approval.

2.3 Training of trainers and trainees for DTTS;

In June 2022, the DTTS Technical Working Group (TWG) members discussed the quantity and selection of trainers for the Training of Trainers (ToT) program. They decided on a total of ten trainers: three from the Forestry Department (FD), five from Myanmar Timber Enterprise (MTE), and two from the private sector. During the 7th DTTS meeting, it was agreed that MFCC would inform group leaders to select and nominate trainees and one trainer from each group.

A training curriculum development team was established, consisting of three members from each group. Under MFCC's leadership, this team worked to develop a curriculum based on the 30 points contained in the CoC Dossier. The project management team reviewed the curriculum provided by the private sector. Initially, the ToT training was conducted with three trainees from the Forestry Department, five from Myanmar Timber Enterprise, and two from the private sector. MFCC received the nomination list of trainers and trainees from MTE and the private sector.

MFCC conducted a Digitalization of Timber Tracking System (DTTS) ToT training on June 22 and 23, 2023. The first day consisted of classroom training, and the second day included practical training at a sawmill. Sixteen participants from the FD, MTE, the private sector, and the Myanmar Accreditation Body (DRI) attended the training. On the first day, trainers from the Forestry Department explained the "within the forest" steps of the DTTS process in the morning session. In the afternoon session, trainers from Myanmar Timber Enterprise explained the transportation and storage steps from the forest gate to the Yangon depot. On the second day, trainers from the private sector explained the steps in processing facilities and conducted a sawmill visit. After pilot testing, the project management team will conduct additional ToT training sessions to deliver improvements and lessons learned from each area.

According to the MFCC-ITTO project document, ten trainers were to be trained on DTTS, reaching 250 additional trainees. MFCC trained ten trainers from the Forest Department, Myanmar Timber Enterprise, and the private sector in the June DTTS ToT training. The project management team conducted two more ToT training sessions on December 21 and 22, 2023. During these two ToT trainings, (116) participants from FD, MTE and private sector were attended. To accomplish the project indicator, the team will continue to conduct training sessions as extensively as possible.

As part of the MFCC-ITTO project, a significant achievement includes the development of two essential documents: a Training Manual and a Training Curriculum tailored for Myanmar's forestry sector. These two documents are published in hard copy and distributed to all important stakeholders. These documents are also currently under review and revision and will soon be disseminated widely to reach out all players.

2.4 Delivering training and creating information materials and related capacity building and dissemination of the revised MTLAS and MFCS, including its endorsement by PEFC

In February 2022, MFCC initiated a knowledge-sharing meeting on the principles, criteria, and indicators of the "Myanmar Criteria and Indicators for Forest Management Certification (2020)" as well as the status of the Myanmar Forest Certification Scheme (MFCS). This meeting included representatives from the Forest Department and private plantation owners.

The project management team developed a basic level awareness-raising workshop plan for "MMS 32:2022 Myanmar Criteria and Indicators for Forest Management Certification" targeting all stakeholders, as identified in the project's stakeholder mapping list. The first workshop was held on October 13 and 14, 2022, and the second on November 11, 2022. These workshops used a hybrid approach (online/physical) and included participants from the Forest Department, Myanmar Timber Enterprise, certification bodies, private plantation owners, and both international and local NGOs.

Regarding the endorsement of MFCS by PEFC, the assessment process is currently suspended. However, awareness-raising workshops on MFCS and the Myanmar National Standard were held on October 16 and December 11, 2023. These virtual meetings included participants from the Forest Department and Myanmar Timber Enterprise. The suspension of the endorsement process is not due to technical aspects of the standard but to ensure comprehensive and meaningful stakeholder engagement. Nevertheless, this suspension does not terminate all activities related to forest certification and timber legality. During this period, MFCS will be strengthened to become a robust system, ready for immediate endorsement once the suspension is lifted.

The project management team has also developed a training plan for the "Myanmar Timber Legality Assurance System v2.00" (MTLAS). Four awareness-raising workshops were planned to enhance understanding of the criteria and indicators of this system. The first two workshops were held virtually on October 17 and 29, 2023, focusing mainly on the Forest Department and Myanmar Timber Enterprise. The third and fourth workshops were conducted in December 2023, again via virtual meetings, and included stakeholders from the Forest Department and Myanmar Timber Enterprise.

On May 24, 2024, MFCC organized an awareness-raising workshop on MTLAS and MFCS specifically for the Private Plantation Association (PPA). This workshop aimed to enhance the participants' understanding

of the criteria and indicators within these systems and to prepare for obtaining certification for products and plantations. The workshop was attended by 30 participants from the PPA.

2.5 Certifying FMUs (mixed between MTLAS and MFCS) and manufacturers (CoC)

(Same as 2.4)

Certifying FMUs (using both MTLAS and MFCS) and manufacturers (CoC) was scheduled to be implemented from the first to the third quarter of 2023, according to the new YPO.

As part of the MFCC-PEFC project, Gangaw District Forest Management Unit was initially selected as the pilot project area. However, travel restrictions and limited access have made it difficult to visit this area. Consequently, the project management team consulted with the Expert Advisory Group to re-select the pilot project area for natural forests. The selection criteria included accessibility, staff performance and interest, and forest cover. Based on these criteria, the Forest Department proposed three forest management units: Dekkhina Forest Management Unit and Nay Pyi Taw Extraction Agency, Pyay Forest Management Unit and Pyay Extraction Agency, and Taunggyi Forest Management Unit and Taunggyi Extraction Agency. In July 2022, the Expert Advisory Group selected Dekkhina Forest Management Unit and the Nay Pyi Taw Extraction Agency as the new pilot project areas.

Due to the current situation and potential difficulties in visiting the pilot areas, the project management team decided to conduct pilot testing in a private plantation instead. MFCC invited all private plantation owners to participate as project partners. The National Resources and Development Company (NRDC) has joined to participate in the activity as a project partner to assess both MFCS and MTLAS systems. The combined team conducted a document assessment in August. Prior to the pilot assessment of MFCS and MTLAS, MFCC held a two-day participatory training session on checklists and audit forms for these systems, primarily targeting Certification Bodies (CB) and the private plantation company NRDC.

By engaging private sector partners and ensuring thorough preparation through training and document assessment, the project aims to facilitate successful certification of FMUs and manufacturers under MTLAS and MFCS.

2.6 Capacity building of the Department of Research and Innovation (DRI) to develop programmes for ISO accreditation for FMU and CoC in cooperation with Thai Industrial Standards Institute.

To advance ISO accreditation for the MFCC-notified Certification Bodies (CBs), MFCC embarked on a significant visit to Vietnam during the third week of September 2023. This visit, supported by the Vietnam Forest Certification Office (VFCO), marked substantial progress in the accreditation journey. Key engagements during this visit included a pivotal meeting among the Bureau of Accreditation (BoA-Vietnam), Myanmar Accreditation Body and MFCC. This collaboration successfully culminated in the creation of an Accreditation Roadmap. This achievement represents a major milestone for the Department of Research and Innovation in Myanmar, solidifying the commitment to sustainable forestry practices and international recognition through ISO accreditation for Forest Management Units (FMUs) and Chain of Custody (CoC) certification.

In addition to the Vietnam visit, MFCC has been studying advancements in Malaysia, Thailand, and Vietnam, which are not only sustaining timber exports but also emerging as rapidly growing exporters.

In order to support ISO Accreditation and MFCC Reformation, the project facilitated the study tours as follows:

1. Study Tour and Visit to the Royal Forest Department and Thailand Forest Certification Council (TFCC)

MFCC team members, including the Secretary and Technical Officer, met with the Director of the Forest Economic Office at the Royal Forest Department in Thailand. This meeting aimed to gain insights into Thailand's new legality assurance system and its current status. Additionally, MFCC held discussions with the Federation of Thai Industries (F.T.I) and the Thailand Forest Certification Council (TFCC), the National Governing Body of Thailand. These meetings provided valuable insights into organizational structures, operational procedures, and achieving financial independence, helping MFCC learn from the experiences and challenges faced during the development and implementation of certification systems.

2. High-Level Study Tour to Vietnam

In March 2024, a Myanmar delegation led by the Deputy Permanent Secretary and Deputy Director-General of the Forest Department, along with the General Manager of MTE (Extraction), visited the Vietnam Forest Certification Office and the Department of Forestry in Hanoi. The delegation also visited small-holder private

forest plantations and small-scale wood processing mills, and met with the Forest Science Central Northern Vietnam to study plantation-related matters covering policy and ground activities. The visit aimed to gain valuable insights into Vietnam's experiences in forest policy development related to Forest Certification and Timber Legality Assurance Systems. Additionally, the delegation visited AA Corporation, a tailor-made interior developer, and Hiep Long Furniture Factory in Ho Chi Minh City to study the efforts of the private sector in the wood-based processing industry.

3. Study Tour Visit to Malaysia Timber Certification Council

In June 2024, the Secretary of the Myanmar Forest Certification Committee and a Technical Officer met with the CEO and her team at the Malaysia Timber Certification Council (MTCC). The primary focus of the visit was to learn about MTCC's organizational structure, operational procedures, financial stability, and the challenges and strategies in operating the MTCS. The visit included a brief discussion and experience-sharing session, providing valuable insights and lessons on overcoming challenges during the development and implementation of the certification system.

This comprehensive approach, involving study tours, collaborative meetings, and practical field visits, underscores MFCC's commitment to building capacity and achieving ISO accreditation, enhancing the credibility and sustainability of Myanmar's forest management and certification systems.

Activities for Output 3

3.1 MFCC website (including policy and standard developments) and social media updated with news on project progress (and other key successes);

MFCC website and database has been maintained regularly and checked for any errors and usability as well as the Search Engine Optimization (SEO). In addition to the MFCC website project session about the ITTO project news, newsletter no 4 and the project brochure, the website has been regularly updated with ongoing and updated news. MFCC also updates news in social media with updates, project progress and achievements. Furthermore, the MFCC website also reached a total of 933 visitors during this reporting period. Therefore, by looking at those statistics and comparing to the recent report, MFCC has gained consistent visitors to the website and social media, engaging with stakeholders for news on project progress

and other key successes. Moreover, MFCC secretariat has been working collaboratively with the google workspace for effective collaboration in day-to-day work.

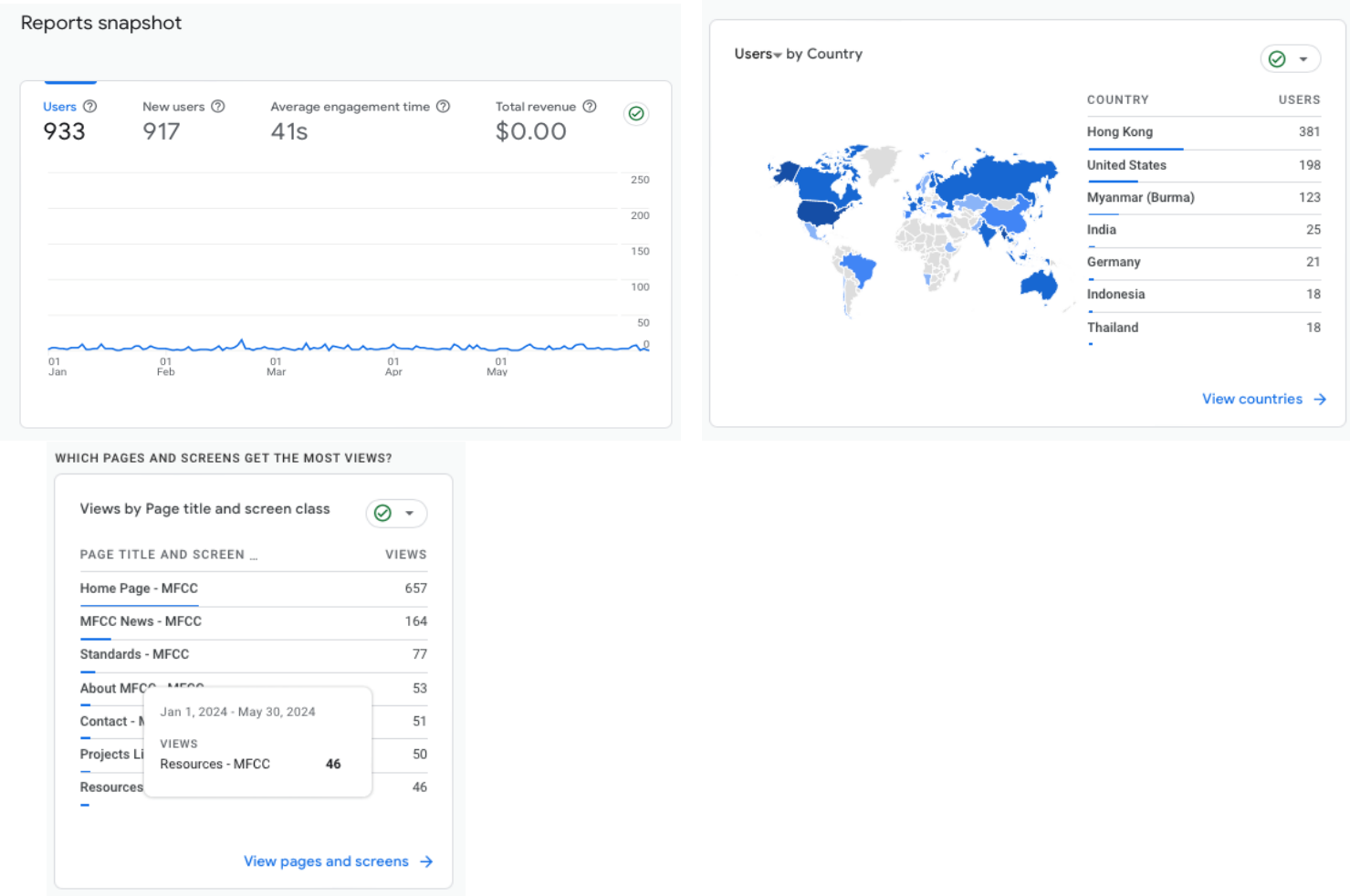


Figure 1 www.mfcc.org.mm website google analytics during reporting period

3.2 MFCC newsletter released every three months;

The MFCC-ITTO newsletter 4 has been circulated and uploaded into the MFCC websites and social media in March 2024.

3.3 MFCC prepares and hosts webinars (at least three during the project lifetime);

The Myanmar Forest Certification Committee (MFCC) launched an assessment to identify the needs of small-scale private hardwood investors and subsequently organized training workshops to address these needs. Collaborating with the Myanmar Environmental Rehabilitation Network (MERN), MFCC tailored a training program for Community Forest User Groups. Additionally, MFCC conducted a forest certification training

session for hardwood plantation members, supported by the European Forest Institute (EFI) and organized by Sagawah, benefiting 10 attendees.

In March 2023, the second Project Steering Committee meeting took place in Naypyitaw, facilitating in-depth discussions on project direction. Later, in November 2023, a Technical Committee meeting further informed strategic decisions. Furthermore, MFCC hosted a closing workshop for the MFCC-ITTO project during this reporting period, details of which are outlined below.

Closing Workshop

The full-day closing workshop on March 29, 2024, marked a significant milestone for the MFCC-ITTO project, bringing together key stakeholders to review the project's achievements. After the opening remarks by Deputy Director-General of Forest Department on behalf of Director-General/MFCC Chairman and MFCC Secretary Mr Barber Cho, the workshop began with an introduction by the Chief Executive Officer of MFCC, who provided a comprehensive overview of the project's objectives, accomplishments, and milestones. Highlights included the successful implementation of forest management and Chain of Custody (CoC) training, participation in PEFC CoC training in Hanoi, Vietnam, and the development and implementation of the Digitalization of Timber Tracking System (DTTS).

Ms. Moh Moh Maung Zin presented on the establishment of the DTTS, discussing its technical aspects, challenges faced during its implementation, and the benefits it brings in enhancing transparency and traceability within the timber industry. Following this, representatives from the Myanmar Timber Enterprise (MTE) demonstrated the use of QR codes in the timber tracking process, showcasing improvements in the efficiency and accuracy of timber tracking and ensuring compliance with legality standards.

Ms. Hnin Yee Aung outlined future plans, emphasizing the importance of continuing sustainable forest management practices, furthering ongoing forest certification systems, and maintaining robust stakeholder engagement. She highlighted the strategic priorities for the next phase of the project, building on successes and addressing any remaining challenges.

MFCC Secretary also briefed the lessons learned from the meetings with Vietnam Forest Certification Office (VFCO), Royal Forest Department and Thailand Forest Certification Council (TFCC).

Throughout the workshop, Q&A sessions allowed participants to engage with presenters, ask questions, and share their experiences, challenges, and successes related to the project. These sessions provided valuable feedback and insights, fostering a collaborative environment and encouraging open dialogue among attendees.

The workshop concluded with a wrap-up session and a final Q&A segment, where all participants had the opportunity to provide input and ask any remaining questions. The closing remarks reinforced MFCC's commitment to strengthening sustainable forest management and timber legality frameworks in Myanmar. Overall, the full-day closing workshop was a success, effectively summarizing the achievements of the MFCC project and setting the stage for ongoing and future initiatives in sustainable forest management.

The Workshop Proceeding will be translated as a post-project activity.

3.4 MFCC present at international and national events relating to timber legality Assurance systems and SFM certification.

In a significant step towards promoting sustainable forest practices and gaining international recognition for the Certification Bodies recognized by MFCC, a study tour was made to Vietnam along with the Myanmar Accreditation Body (MAB) and MFCC-notified Certification Bodies. During the study tour, MFCC engaged in various activities aimed at enhancing their certification processes and expanding their international collaborations.

Notably, the MFCC delegation attended the PEFC Chain of Custody Initial Training held in Hanoi from September 19 to 20, 2023. Additionally, a key agenda item was a meeting with the Bureau of Accreditation (BoA), Vietnam's accreditation organization, on September 21, 2023. This meeting culminated in the establishment of a Memorandum of Understanding (MoU) between the Myanmar Accreditation Body (under DRI) and the Vietnam Accreditation Body (BoA) for a Joint Assessment of potential Myanmar Certification Bodies seeking accreditation. This Joint Assessment will involve a visit by a Vietnamese assessor to Myanmar.

MFCC has been actively collaborating with representatives from PEFC International and PEFC Southeast Asia, holding regular meetings to ensure ongoing support for current and ongoing project activities under the

MFCC-ITTO partnership. These collaborations aim to maximize synergies between project partners and enhance the effectiveness of their initiatives.

In addition to international engagements, MFCC has worked closely with the Department of Research and Innovation (DRI) on various ISO training programs. These collaborations include:

- ISO 17065 - Conformity assessment: Requirements for bodies certifying products, processes, and services.
- ISO 17021 - Conformity assessment: Requirements for bodies providing audit and certification of management systems — Part 1: Requirements.

A notable achievement in this area was the successful completion of ISO 17065:2012 auditor training by Mr. Soe Min Naing. This training, facilitated by the ASEAN, Hong Kong, China Free Trade Agreement (AHKFTA), and the ECOTECH work programme, solidified Mr. Soe Min Naing's role as one of the auditors for MFCC Certification Body—Nature Watch Co., Ltd.

Through these efforts, MFCC continues to strengthen its position both nationally and internationally, advancing sustainable forest management and timber legality assurance systems in Myanmar.

3. Critical Analysis of Project Progress

The critical analysis should be centered on three key areas:

- (1) The development and ongoing maintenance of standards, ensuring they remain current and functional;
- (2) Ensuring the National Governing Body (NGB) maintains its status as a fully qualified institution; and
- (3) Ensuring project sustainability to support both standard development and the NGB's qualification.

1. Standard Development and Maintenance

Developing and maintaining robust standards is crucial for the credibility and functionality of any certification system. This process should involve:

- **Regular Updates:** Standards must be reviewed and updated regularly to incorporate the latest scientific research, technological advancements, and industry best practices. This ensures the standards remain relevant and effective in achieving their goals.
- **Stakeholder Involvement:** Engaging a diverse range of stakeholders, including industry experts, environmental groups, and community representatives, is essential. Their input helps ensure the standards address all relevant issues and gain broad acceptance.
- **Transparency:** The standard development process should be transparent, with clear documentation and public availability of draft standards and final versions. This transparency builds trust and credibility among stakeholders.
- **Training and Education:** Continuous education and training programs should be in place to ensure that all stakeholders, including auditors and certification bodies, understand the standards and can effectively implement them.

Analysis for Standard Development and Maintenance

During the project design phase, MFCC meticulously assessed the status of Sustainable Forest Management (SFM) and Timber Legality in Myanmar from two perspectives.

Firstly, the opinions and viewpoints of Myanmar professionals and Stakeholders who are actively involved in the forestry sector.

Secondly, the analysed insights from the international community, predominantly through various publications.

These two perspectives naturally differ, as the international community emphasizes environmental and social values in accordance with their professional obligations. However, in Myanmar, economic stability is a crucial consideration that cannot be overlooked, and the existing conditions must be evaluated to assess gaps between the two perspectives as a first step. Establishing enabling conditions is paramount, as without a solid foundation, achieving the primary objectives of SFM Standards and the Legality Framework will be challenging. It is noteworthy that the policy makers from major markets have not paid the properly-balanced attention and consequently the phase approach is never on the top agenda. Instead the developing countries

are forced to comply with their demand without being given the opportunity to develop the Enabling Condition which has to be built on the phase approach platform.

MFCC has considered both international perspectives and requirements concerning Sustainable Forest Management (SFM) and timber legality, along with local visions, to ensure a comprehensive approach that aligns local realities with global expectations. This approach involves adapting international standards to fit national and regional contexts, addressing specific environmental, social, and economic conditions. National Governing Bodies (NGBs) must align local standards with international certification standards to ensure compliance with the overarching principles and criteria of system owners like PEFC (Programme for the Endorsement of Forest Certification) or FSC (Forest Stewardship Council).

One significant challenge is the public perception, especially from developed countries. Myanmar is often viewed through a lens of preconceived notions, largely shaped by various publications, unlike its neighbouring countries, where government support for National Governing Bodies (NGBs) has been seen as a positive contribution to sustainable forest conservation rather than as an intervention. In Myanmar's case, such support is frequently met with suspicion.

Despite these challenges, MFCC's determination remains steadfast. MFCC will continue the efforts to achieve the goals. To succeed on this path, support from friends, whether individuals, organizations, or NGOs, is crucial. As demonstrated by this valuable ITTO project, MFCC can reach its targets more swiftly with such support. To sustain the progress and preserve MFCC's achievements, project sustainability measures have been established, and MFCC will continue its efforts using its own resources.

The two predominant challenges for continued development are financial sustainability and engaging with stakeholders, particularly civil society organizations (CSOs). As is commonly understood, the National Governing Body (NGB) is a non-profit organization that aims to generate just enough revenue to cover operational costs. Initially, most NGBs in Asia received various forms of financial assistance and eventually benefitted from logo fees or trademark fees from Certification Bodies. Some received support through trust funds or endowments, where the interest generated, could be used by the NGB, while others received lump sum funding from state budgets or private sector contributions.

Regarding the engagement of Civil Society Organizations (CSOs), a CSO representative served on the MFCC Board from 2018 to 2021. This inclusion was a result of MFCC's proactive advocacy for the

involvement of various stakeholders. However, following the completion of the representative's three-year term, the CSO group declined to participate in the reformed MFCC Board in 2021 due to political reasons, which are beyond the control of MFCC at present. Despite this, all other sectors continue to collaborate actively with MFCC. MFCC has determined to exert the advocacy relationship with CSO. However, to reach out to local peoples and CSOs throughout the country, the current financial strength of MFCC is limiting the activities.

2. Maintaining the NGB as a Fully Qualified Institution

The NGB's role is pivotal in overseeing the certification process and ensuring compliance with standards. To maintain its status as a fully qualified institution, the NGB should focus on:

- **Capacity Building:** Regular training programs for NGB staff and associated auditors to keep them updated on the latest standards and certification processes.
- **Accreditation:** Achieving and maintaining international accreditation, such as ISO, to ensure the NGB operates at the highest global standards.
- **Operational Excellence:** Implementing robust operational procedures and governance structures to ensure efficiency, transparency, and accountability within the NGB.
- **Stakeholder Engagement:** Building strong relationships with national and international stakeholders, including government agencies, industry bodies, and non-governmental organizations, to foster collaboration and support for the NGB's initiatives.

Analysis for Maintaining the NGB as a Fully Qualified Institution

Since systems cannot exist in isolation without being created and maintained, the role of the National Governing Body (NGB) is crucial, working in conjunction with Accreditation Bodies (AB). In the context of this project, MFCC delegation visited Thailand, Vietnam and Malaysia to meet the counterpart NGBs, namely Thailand Forest Certification Council (TFCC), Vietnam Forest Certification Office (VFCO) and Malaysia Timber Certification Council (MTCC). During the meetings, discussion points are placed not only on developing and maintaining systems but also on strengthening the National Governing Body as a credible institution. There are many lessons learned from the meetings mainly on the following challenges:

- (a) Primary Functions of NGBs,
- (b) Key Requirements of NGB,

- (c) Common Issues and Solution and
- (d) Specific Issues between Support and Intervention

(Note - Detailed findings are mentioned in the Annex -3)

The Myanmar Forest Certification Committee (MFCC) has undergone several significant changes and reforms since its inception. Initially, the Timber Certification Committee of Myanmar (TCCM) was established in 1998 by the Ministry of Forestry as a non-profit, non-political, and impartial organization. The TCCM was transformed into the MFCC in 2013 to better align with contemporary forest certification standards and practices. Since then, the MFCC has acted as the National Governing Body for the Myanmar Forest Certification Scheme and the Myanmar Timber Legality Assurance System.

In 2018, the MFCC was reconstituted with the inclusion of representatives from Civil Society Organizations for the first time. It was mandated to be reconstituted every three years, leading to subsequent reconstitutions in 2021 and an upcoming one in 2024. Institutional strength is crucial for the proper functioning of the standards, and forming a credible National Governing Body (NGB) involves several key requirements:

1. Stakeholder Engagement:

- Inclusivity: Ensure representation from diverse stakeholders, including government agencies, non-governmental organizations (NGOs), forest owners, industry representatives, indigenous groups, and environmental groups.
- Consultation: Conduct consultations and workshops to gather input and build consensus on the formation and operation of the NGB.

2. Organizational Structure:

- Board of Directors: Form a board with representatives from key stakeholder groups to provide strategic direction and oversight.
- Committee: Establish committees to handle specific functions, such as standard setting, certification and dispute resolution.

3. Funding and Resources:

- Funding Sources: Identify and secure funding sources, including government grants, international aid, and private sector contributions.

- Resources: Allocate resources for the operation of the NGB, including staff, office space, and equipment.

The above three factors are fundamental considerations whenever an NGB is to be reformed. The Secretariat of the MFCC has been tasked by the Board of Directors, in a meeting held on March 29, 2024, to compile a roadmap for a more pragmatic reformation of the MFCC. Leveraging the extensive experience and knowledge gained from executing project activities, the MFCC Secretariat is well-positioned to develop a comprehensive and effective roadmap.

3. Project Sustainability

Project Sustainability will be divided in two parts- General and Specific

General Aspects of Project Sustainability

1. **Financial Stability:** Securing diverse funding sources, including government grants, international aid, and industry contributions, to ensure long-term financial sustainability.
2. **Strategic Planning:** Developing and implementing strategic plans that outline long-term goals, objectives, and actions to support standard development and NGB operations.
3. **Monitoring and Evaluation:** Establishing robust monitoring and evaluation mechanisms to assess the impact and effectiveness of projects. This helps in making data-driven decisions and demonstrating accountability to stakeholders.
4. **Adaptability:** Being flexible and adaptable to changing circumstances and emerging challenges, such as new regulatory requirements or market conditions, to ensure continuous improvement and relevance of the certification systems.

Specific Aspects of Project Sustainability

1. **Developing the First Certified Forest in Private Plantations:** Initiating the certification process for private plantations to create the first-ever certified forest in Myanmar.
2. **Expanding Digitalization of Timber Tracking Systems (DTTS):** Extending DTTS from a single-station setup to multiple stations and transitioning from post-activity tracing to real-time tracking.

3. Accrediting Certification Bodies: Collaborating on a joint assessment between the Myanmar Accreditation Body (MAB) and the Vietnam Accreditation Body (BoA of Vietnam) to achieve accreditation
4. Proving ISO Training: With the assistance of the International Consultant, the Training for ISO 17021 and 17065 will be provided to Certification Bodies
5. Routine System Updates: Regularly updating system documents, including translations, to ensure they reflect current practices and standards.

By focusing on these three critical areas, the MFCC can ensure the development of effective and up-to-date standards, maintain a fully qualified National Governing Body, and achieve long-term project sustainability. This comprehensive approach will enhance the credibility and impact of the certification systems, promoting sustainable forest management and timber legality assurance in Myanmar.

4. Conclusions

Although there were certain limitations to the project activities in the initial phase, mainly due to the COVID-19 pandemic, only very few activities remained without fully accomplished. As previously mentioned, the Myanmar Forest Certification Committee (MFCC) has made notable achievements but still has more to do to enhance its role as an institution and to meet international requirements for forest certification and timber legality.

Currently, the export earnings from the forest trade have drastically declined to an alarming figure of just \$68 million USD for the financial year 2023-24 ([see-https://www.ito.int/files/user/mis/MIS_16-30_June2024.pdf](https://www.ito.int/files/user/mis/MIS_16-30_June2024.pdf)). This decline is attributable to two primary factors: first, Myanmar has significantly reduced timber harvesting, and second, the export of forest products is restricted by major markets such as the EU and the USA due to the political reasons.

Regarding timber harvesting, Myanmar imposed a nationwide logging ban for one year during 2016-17 and a ten-year ban covering the Bago Yoma region, known for its golden teak. Additionally, from 2021-22 to 2023-24, timber extraction was paused again. These measures, intended for forest conservation, have not received adequate recognition internationally. Consequently, the opportunity for the Myanmar Forest Certification Committee (MFCC) to generate revenue from certification has become very limited.

When compiling a report for the project, MFCC believe that focusing solely on the technical aspects of the project terms is insufficient. It is essential to also consider the external factors that may influence implementation. Therefore, this report is prepared by focusing the contents of the project as well as the external factors so that the pragmatic evaluation will be made.

Historically, forest resources were utilized primarily for basic necessities but eventually evolved into significant commercial enterprises. However, when forest products are exploited without proper management and sustainable practices, the impact can be devastating to local communities and the environment. To mitigate these impacts, governments from both consumer and supplier countries have implemented various regulatory measures aimed at effectively managing forest trade. The primary objective is to establish a supply chain that extends from forests to sawmills and manufacturing facilities, and ultimately to end buyers—both domestically and internationally while ensuring sustainability.

Sustainable forest management (SFM) is crucial during the harvesting process to avoid detrimental environmental and social effects. Throughout transportation, manufacturing, and exportation, rigorous checks are essential to prevent the inclusion of illicit forest products from unknown origins.

Consumer demands increasingly require suppliers to demonstrate compliance with these sustainability and legality requirements. Consequently, many producing countries have developed regulatory frameworks, while importing countries have enacted mandatory laws such as the EU Timber Regulation (EUTR), US Lacey Act, Australian Illegal Logging Prohibition Act and Korean Act on the Prohibition of Illegal Logging and Promotion of Legitimate Logging, etc. Producer countries have also instituted their National Timber Legality Assurance Systems (TLAS). However, it is understood that the term “TLAS” should be referred only for EUTR scope.

However, developing TLAS to achieve international recognition can be challenging for developing countries, exacerbated by complex political agendas. This complexity underscores two primary challenges: ensuring proper compliance with the standards prescribed and assuring the market of the compliance with a verification system.

In conclusion, the ITTO Project “Strengthening SFM Standards and Timber Legality Framework in Myanmar” has made a significant contribution to Myanmar Forest Certification Committee by enabling us to reorganize

various aspects of our institutions, systems, and stakeholder engagement. As a result, we are now better equipped to address current challenges effectively.

Request

To ensure that MFCC can continue progressing in the areas of Sustainable Forest Management (SFM) certification and timber legality without interruption, support from our partners is crucial. Without this assistance, Myanmar forests risk becoming increasingly vulnerable to unsustainable harvesting practices.

To address this, MFCC has developed a comprehensive project sustainability plan, which was submitted to ITTO in conjunction with our request for a two-month No-Cost Extension. MFCC intends to make minor modifications to the original plan, summarized as follows:

1. **Developing the First Certified Forest in Private Plantations:** Initiating the certification process for private plantations to create the first-ever certified forest in Myanmar.
2. **Expanding Digitalization of Timber Tracking Systems (DTTS):** Extending DTTS from a single-station setup to multiple stations and transitioning from post-activity tracing to real-time tracking.
3. **Accrediting Certification Bodies:** Collaborating on a joint assessment between the Myanmar Accreditation Body (MAB) and the Vietnam Accreditation Body (BoA of Vietnam) to achieve accreditation.
4. **Providing ISO Training:** With the assistance of the International Consultant, the Training for ISO 17021 and 17065 will be provided to Certification Bodies
5. **Routine System Updates:** Regularly updating system documents, including translations, to ensure they reflect current practices and standards.

During the MFCC Meeting on 30 May 2024, the closing budget of project was approved with the balance of USD 25,216.00 and the reallocation for the remaining activities. To fund these activities, the remaining budget of USD 25,216.00 will be utilized. MFCC commits to providing monthly or periodically expenditure statements to ensure transparency and accountability.

Sir.	Budget Component	Remaining Budget (USD)	Reallocated Budget (USD)
14	14.2 International Consultant (Quality Infrastructure)	3200.00	3200.00
33	33.4 MFCC Project Travel	1648	648
44	Capital Equipment	-1147	
61	Accreditation/Certification Cost Contribution (CB)	3000	4000
64	Materials/Curriculum development	8651	8651
67	67.1 Conference (inception/closing)	675	
	67.2 Expert Working Group	372	
	67.3 Advisory Group/PSC Meeting	400	
	67.4 Consultations and Training/Workshop	3,533.00	3,863.00
68	Pilot Test Assessment (Consultation, Capacity Building	4,854.00	4,854.00
	Total	25,216.00	25,216.00

(Note- For the late activity to visit Malaysia Timber Certification Committee on 14th June 2024, the travel cost occurred is USD 598.00)

We humbly request the continued support of ITTO and the Forest Agency of Japan to facilitate the project's sustainability efforts with the remaining budget balance together with the own fund of MFCC. We extend our sincere gratitude to the International Tropical Timber Organization and the Forest Agency of Japan for providing this invaluable opportunity through the project.

Responsible for the Report



Barber Cho
Secretary
Project Steering Committee
Date: 25 July 2024