

Summary of the verification scheme

Name of the system	Name in English: Forest and Log Export Monitoring System in Papua New Guinea
Related Area	Region /Country: Papua New Guinea
General overview of verification	Party responsible for issuing verification
	Name: SGS PNG Limited Location: PNG Forest Authority Headquarters Building, Papua New Guinea Communication: bruce.telfer@sgs.com (+675) 323 1433
	Outline of issuing process
	Companies affix official SGS bar-coded tags to all logs at time of harvest (each has a unique number). SGS notified of impending shipment 2 weeks in advance. SGS inspectors complete scaling check (10%) and species check (100%) prior to loading. Ship loading is monitored to produce an independent tally of loaded logs. SGS Inspection Report is issued at the completion of loading and is used by all Govt. authorities to clear the shipment for export. Copies of all shipping and inspection documents are held by SGS. All information is entered into a central database and monthly reports are provided to a wide range of Govt. authorities and other stakeholders.
	The system shall verify legality only /or both sustainability SGS PNG system verifies aspects of the legal origin of logs.
Scheme to check for legality at the time of logging	Definition of legality
	No formal definition exists but SGS will not perform an inspection unless: Official log tags have been affixed to the logs. These tags are not issued unless the Forest Service has confirmed that the company is holding a legitimate operating permit of some kind for the forest area. Shipment must have an Export Permit issued by the PNG Forest Service and an Export Licence issued by the Department of Trade and Industry. Logs are correctly measured and identified. Both the export volume of a shipment and the prices for the logs have formal approval from the PNG Forest Service. Export taxes are paid in the correct amount.
	Relevant laws:
	PNG Forest Act and Customs regulations.
	Details of presumed illegal activities
	Some examples: Species mis-declaration; Under measurement of logs; Shipping undeclared logs; Shipping with Export Permit and Licence; Not paying export tax
	Procedures for retaining and verifying the evidence
	Logs are physically inspected at the export port by SGS inspectors who employ bar-code scanners and portable computers. Ship loading is not authorized by the PNG Forest Service unless the SGS pre-shipment inspection gives a satisfactory result. All inspection, ship loading and commercial documentation are held at the SGS headquarters. All data is held in a central database.
	Scheme implemented by the third party and so on to ensure reliability
	All verification procedures are managed and executed by SGS, the world's leading inspection, verification, testing and certification company under SGS General Conditions of Services that ensure reliability and international credibility.
Scheme of separate custody management	Real picture of the dealings, from logging to export
	The number on the SGS log tag is also the official log no. for declaration on a monthly basis to the PNG Forest Service. Each log has a location and landowner registered.
	Procedure for ensuring separate custody management
	The log numbers together with details of species and measurement, as declared monthly to the PNG Forest Service are verified by SGS at time of export.
	Scheme implemented by the third party and so on to ensure reliability
	All verification procedures are managed and executed by SGS, the world's leading inspection, verification, testing and certification company under SGS General Conditions of Services that ensure reliability and international credibility.
Future Task and Perspectives	Criticisms against the system and recognition of problems
	Some international stakeholders would like to see the independent monitoring extended back into the forest and to include other legal compliance issues for example, harvesting practices plus compliance with social and environmental laws of PNG.
	Remediation procedure
	PNG Forest Service is considering the development of a legal definition for PNG forest operations to assist companies and the Government to demonstrate legal wood production.
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