



WWF GFTN NEWSLETTER

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SPECIAL EDITION: RESPONSIBLE ASIA FORESTRY & TRADE PARTNERSHIP (RAFT)



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Local community members participate in the negotiation of a Collaborative Forest Management (CFM) agreement, East Kalimantan, Indonesia © Justin Mott / RAFT

THE RAFT PARTNERSHIP

Promoting sustainability, combatting illegal timber trade

RAFT BRINGS TOGETHER A CONSORTIUM OF LEADING CONSERVATION ORGANIZATIONS, INCLUDING THE NATURE CONSERVANCY (TNC), WWF'S GLOBAL FOREST & TRADE NETWORK (GFTN), TRAFFIC - THE WILDLIFE TRADE MONITORING NETWORK, TFT (THE FOREST TRUST), THE TROPICAL FOREST FOUNDATION (TFF), THE CENTRE FOR PEOPLE AND FORESTS (RECOFTC) AND THE INSTITUTE FOR GLOBAL ENVIRONMENTAL STRATEGIES (IGES).

Illegal exploitation and subsequent trade in forest products remains an important driver of the Asia Pacific region's persistently high rates of deforestation and forest degradation, despite significant improvements over the last decade.

The biggest challenge is: how can we feed the world's growing demand for wood and have healthy forests too? The answer is responsible forestry and trade. Business as usual in the forests of Asia and the Pacific means a rapid degradation of both forest ecology and the benefits derived by people from forests, including the long-term benefits earned by timber companies and governments. But responsible forestry and trade can mean the opposite: sustainability.

In an interconnected world, no single link in the timber supply chain can deal with the challenges on its own. Players across the global timber trade, from the forest to the showroom, are all responsible. This fact has been the driving motivation of an innovative programme in operation from 2006 to 2013 with the support of the Australian and United States Governments.

The Responsible Asia Forestry and Trade programme (RAFT) has shown that the growing world demand for timber products that are legal, sustainable – and increasingly, low-carbon – can be a powerful engine to manage the forests of Asia and the Pacific without destroying their vulnerable ecologies and the lives of the millions who depend on them.

RAFT brings together a consortium of leading conservation organizations, including The Nature Conservancy (TNC), WWF's Global Forest & Trade Network (GFTN), TRAFFIC – the Wildlife Trade Monitoring Network, TFT (The Forest Trust), the Tropical Forest Foundation (TFF), The Centre for People and Forests (RECOFTC) and the Institute for Global Environmental Strategies (IGES).

Why RAFT? Why now?

The RAFT partnership is designed to bridge the gap between market and policy requirements for legal and sustainable wood products and current practices through supply-side capacity building, technical support and networking opportunities targeting governments, companies and communities.

The first phase of RAFT, from 2006 to 2011, was funded by the United States Government and focused on strengthening the emerging market and policy incentives and developing human and institutional capacity to respond to these incentives by managing forests more responsibly and bringing more transparency to timber supply chains.

In 2013, a yearlong second phase was launched with support from the Australian Government, building on the achievements of the first phase with a continued focus on improving policy and practice and an emphasis on scaling up and institutionalizing best practices through knowledge sharing and increased engagement with regional fora and local and national associations and institutions.

Through its partners, RAFT offers an unmatched pool of region-wide knowledge and expertise in responsible – that's legal and sustainable – forestry and trade. This unique partnership approach allows RAFT to reach farther and wider than any one organization can on its own, crossing borders and supply chains to bring about lasting, positive change for the forests, people and economies of Asia Pacific.

To date, the program has targeted seven countries – China, Indonesia, Lao PDR, Malaysia, Myanmar, Papua New Guinea and Vietnam – with other Asia Pacific countries and major timber markets involved through engagement in regional dialogues and learning exchanges.

Helping companies achieve legality and beyond

During RAFT's lifetime, demand for legal and sustainable wood products has continued to grow, with some of the major consumer economies passing new trade regulations that prohibit the importation of illegally sourced products – such as the 2008 Amendments to the Lacey Act in the United States, the EU Timber Regulation and Australia's Illegal Logging Prohibition Act. Some producer countries have also begun to establish timber legality assurance systems and many companies within these countries are seeking to have their operations verified legal and certified sustainable to satisfy market requirements of consumer countries.

These policy and market signals are already driving increased interest among companies and governments in legality and sustainability and resulting demand for the kind of technical support that RAFT partners provide. However, they have yet to be transmitted evenly through supply chains and translated into improvements in practice at the scale that is required to make a meaningful impact. There remains a lack of positive incentives for complying with higher standards for forestry and trade and a significant shortfall in available technical and institutional capacity to respond adequately to the market and policy signals for deforestation free commodity production, especially for governments and for small and medium-sized operators.

As a result, there are significant gains to be made by strengthening and extensively communicating incentives and scaling up capacity to implement responsible forestry and trade. The RAFT partnership, with its broad range of expertise, relationships and track record is uniquely positioned to realize these gains.

For more information on the RAFT partnership, contact:

Allison Lewin, RAFT Programme Manager, alewin@tnc.org

RAFT's Value Proposition: What Sets RAFT Apart?

Meeting the demand for practical solutions to forest loss in Asia-Pacific: RAFT is a proven partnership for responsible and climate-smart corporate practices, progressive public policies and collaborative land management.

The partnership features:

- Direct access to the knowledge, skills and capacities of a diverse group of leading organizations bringing sustainability to commodity supply chains
- An efficient mechanism for engagement with government agencies, private corporations, civil society organizations and community groups
- A regional presence throughout Southeast Asia and the Pacific and in major trading nations including China, the US, Australia, and member states of the EU
- A track record of delivering tangible results balancing social, economic, environmental and climate change objectives



Tropical forest trees, Indonesia. © WWF-Indonesia/Sunarto

Top 10 reasons we need RAFT

- 1. Asia Pacific is losing its forests.** Since 1990, Asia Pacific has lost 38 million hectares of forestland (FAO, *State of the World's Forests 2011*) – an area equivalent to the size of Japan.
- 2. We need those forests.** In Asia Pacific, the world's most densely populated region, more than 500 million people depend on forests for jobs and basic needs. Globally, we all need these forests to absorb and store carbon dioxide, helping to reduce current unsustainable levels of carbon pollution in the atmosphere.
- 3. Illegal logging is still happening.** The illegal timber trade generates the second largest revenue for transnational criminal groups in East Asia and the Pacific, at around US \$17 billion, suggesting that 30-40 per cent of the total quantity and export value of wood-based products exported from the region in 2010 was derived from illegal sources (The United Nations Office for Drugs and Crime).
- 4. Unsustainable forest management still dominates.** Only 13 per cent of natural production forests in the region are considered to be under sustainable management and only 6 per cent are formally certified as such (Status of Tropical Forest Management 2011. ITTO Technical Series No 38).
- 5. Demand for responsibly sourced products is growing.** New laws that prohibit imports of illegally sourced wood and paper products in major markets and responsible sourcing commitments by big companies mean that forestry sectors across Asia Pacific need new skills and systems to stay competitive. RAFT partners have the expertise to help develop these skills and put in place the systems needed to practice and demonstrate legal and sustainable forestry and trade.
- 6. Countries in Asia Pacific are increasingly committed to responsible forestry and trade.** Countries that export wood and paper products are also putting in place systems to verify the legality of these products. This has created opportunities to work with several countries to design and implement effective, practical and transparent timber legality verification systems.
- 7. Combatting illegal and unsustainable logging is too big for any one organization.** RAFT provides a platform for traditional competitors to pool resources and expertise and have a bigger impact on advancing responsible forestry by working together strategically.
- 8. Illegal and unsustainable trade in timber requires a transnational response.** Timber supply chains are long and complex, involving multiple countries as producers, manufacturers, traders, buyers, investors and regulators. Influencing what happens in the forest requires working at all of these points. Together RAFT partners have the region-wide networks and relationships that enable us to do this.
- 9. A lot has already been done and learned.** RAFT brings together organizations with solid track records of more than 20 years working on forestry issues in the Asia Pacific region. This enables partners to avoid duplication and build on what has already been learned in order to continuously improve RAFT's approach.
- 10. A short-term investment that yields long-term results.** In the long-term, responsible forestry and trade has the potential to be cost effective relative to conventional practices and ultimately self-sustaining. But in the short-term outside investment is still needed to cover initial costs of training and operational changes, which can be a major obstacle to change.

Major achievements (2006-2013)

Since 2006, the RAFT partnership has achieved the following:

- Educated nearly **1,300 wood manufacturers** in the region (i.e. China, Indonesia, Lao PDR, Malaysia and Vietnam) about legality requirements, especially to understand and address the new legality requirements in Australia, the United States and the European Union.
- Provided direct technical assistance to **81 timber concessions** (in Indonesia, Malaysia, PNG and Vietnam) pursuing certified sustainable forest management. So far this work has resulted in **1.3 million hectares** of forest gaining FSC certification and another two million on the way. If these additional two million hectares are certified, the total of 3.3 million hectares would represent 3 per cent of the 108 million hectares of natural production forests in tropical Asia and Pacific – a 50 per cent increase in the total area of forests certified in the region (Status of Tropical Forest Management 2011. ITTO Technical Series No 38).
- Supported **45 communities** (in Indonesia, Lao PDR, PNG and Vietnam) to either improve operations in community forests or engage more effectively with timber companies operating where they live.
- Helped **79 manufacturers** (in China, Indonesia, Lao PDR and Vietnam) to improve their wood and fiber sourcing, with **20 factories** applying FSC certified Chain of Custody practices.
- Equipped at least **13 local and national organizations** across five countries (China, Indonesia, Lao PDR, PNG and Vietnam) to become champions and future leaders of capacity building for responsible forestry and trade
- Developed a system to quantify and verify emission reductions that result from reduced impact logging – i.e. RIL-C – and tested elements of it in five concessions in Indonesia.
- Facilitated increased dialogue, collaboration and learning between neighbors and timber trading partners, and participated in regional inter-governmental fora on responsible forestry trade.
- Established RAFT as a credible regional resource on timber legality verification for the APEC Experts Group on Illegal Logging and Associated Trade (EGILAT).



Concession staff labels logs, East Kalimantan, Indonesia. © Justin Mott / RAFT



Worker removing bark, East Kalimantan, Borneo. © WWF-Canon / Simon Rawles

In Focus: Forestry in Indonesia, China and Vietnam

DEFORESTATION AND FOREST DEGRADATION CONTRIBUTE NEARLY 20% OF GLOBAL EMISSIONS OF GREENHOUSE GASES, WHICH IS MORE THAN THE TRANSPORTATION SECTOR AND SECOND ONLY TO THE ENERGY SECTOR (UNEP)

The crisis brought about by widespread destructive forest exploitation in Asia Pacific over the past decade and increasing awareness of deforestation among consumers is slowly prompting a shift in the region's forest policies. This is particularly evident in Indonesia, China and Vietnam – three countries that are playing an increasingly significant role in the global wood products industry.

WWF/GFTN has been playing an active role in these countries to promote legal compliance in the forest sector and help companies attain Forest Stewardship Council (FSC) certification, as well as build the capacity of the public sector to understand and comply with relevant international laws prohibiting illegal logging. In 2013, WWF/GFTN amplified these efforts under the RAFT partnership, working actively with partner organizations to scale up responsible forest management and trade.

What GFTN does

- Build capacity of forest managers to achieve FSC certification
- Build capacity of communities to improve livelihoods through responsible forest management
- Build capacity of factories to demonstrate compliance with the timber legality requirements of major markets and put in place responsible sourcing systems
- Develop and disseminate training manuals and tools for use by national and local associations and institutions
- Raise awareness of issues surrounding illegal and destructive logging in the public and private sector



RAFT press trip to GFTN participant SLJ IV forest management unit, Indonesia. © WWF-Indonesia

Indonesia

GFTN'S IMPACT

42

Total number of GFTN company participants employing over 20,000 people

US \$363 MILLION

Annual wood turnover of GFTN-Indonesia participants

1.8 MILLION M³

Amount of forest products traded by GFTN-Indonesia participants

1.2 MILLION HECTARES

Total forest area under management, 34% of which is FSC certified

[Indonesia's](#) accolade as one of the world's biggest timber producers spawns another astounding fact – its rainforests home a biodiversity that is unmatched anywhere else. Some of the most unique – and endangered – species found here include the Sumatran tigers, orangutans, pygmy elephants and Sumatran rhinos. Unfortunately, rising international demand for timber products continues to threaten this beautiful tropical forest that is the world's second largest.

The archipelago has 94.4 million hectares of forest covering 52 per cent of the country's land area. While logging is permitted on 55 per cent of the country's forests, only about 1.6 million hectares are FSC-certified.

As the world's largest exporter of tropical timber, Indonesia generates upwards of US \$5 billion in [annual revenues](#). In 2012, its export figures included US \$3.5 billion of wood products and US \$5.5 billion of pulp and paper products. Counting among its largest forest product importers are China, Japan, Malaysia, US, Australia and South Korea.

While illegal logging and timber trade in the country has declined over the last five years and there is heightened awareness for responsible forest management partially due to the implementation of the local government's own [Timber Legality Assurance System \(SVLK\)](#), much of the timber circulating in the market comes from natural forests that have been harvested unsustainably, posing significant reputational risks. Moreover, WWF's analysis has shown that there are a number of shortcomings in SVLK, from its definition of "legal timber", its certification standards and criteria, to the actual certification of individual forest management units and the performance of some certification agencies accredited by the government.

Tracking timber to its origins through traders and intermediaries is difficult in Indonesia, as mandatory documentation of timber transport is cumbersome and does not cover all situations. This documentation can be unreliable unless verified by a third party.



Orang-utan and baby, West Kalimantan, Indonesia. © WWF-Indonesia / Jimmy Syahirsyah

China

GFTN'S IMPACT

29

Total number of GFTN company participants employing 60,000 people

US \$17 BILLION

Annual wood turnover of GFTN-China participants

3.4 MILLION M³

Amount of forest products traded by GFTN-China participants

1.8 MILLION HECTARES

Total forest area under management, 88% of which is FSC certified

[China](#) has a substantial ecological footprint. It is the world's largest importer of industrial roundwood, second largest importer of sawnwood and wood pulp (outranked only by the US), and the largest exporter of finished wood products.

In addition, growth of its wood industry is known to outstrip that of the rest of the world by a factor of 10 or more, and the country has become a primary producer, consumer and exporter of furniture (RISI China Wood Products Markets Study, China's Rapidly Expanding Wood Multi-Client Study Products Markets: Are they Sustainable?).

Forest land in China occupies 195 million hectares or 20 per cent of the nation's total land area. Of this, 60 per cent are natural forests, and only 3.3 million hectares are FSC certified, with chain of custody certificates numbering about 3,300.

Between 2006 and 2009, the value of China's forestry sector revenue increased six-fold, from US \$1.66 billion to more than US \$10 billion. While the US and Europe remain its major export markets, China's domestic market has become increasingly important.

China's influence reaches far and wide. Much of its industrial imports are from Russia and Southeast Asia especially Indonesia, but China has also increasingly been expanding trade with countries in South America – such as Brazil – and Central Africa, particularly Cameroon, to meet its growing demand.

Herein lies the challenge as many of these countries are where illegal logging and other serious environmental and social issues are prevalent. The opening up of new markets in Southeast Asia, such as Myanmar, only exacerbates this issue as many of the illegally harvested wood finds its way to China for processing. In recent years, alarmed by the severe ecological impacts of deforestation, the Chinese government took strong measures to curb the clear-cutting of Chinese forests and promote tree planting. However, there is currently no law yet against illegally harvested wood imports and there is weak momentum to support FSC certification.



Reeds taken to a local paper mill, China. © Edward Parker / WWF-Canon

Vietnam

GFTN'S IMPACT

8

total number of GFTN
company participants
employing 14,000 people

US \$88 MILLION

Annual wood turnover of
GFTN-Vietnam participants

147,459 M³

Amount of forest products
traded by GFTN-Vietnam
participants

9,500 HECTARES

Total forest area under
management

[Vietnam](#) is an important player in the global wood processing industry, exporting finished wood products like indoor and outdoor furniture to about 120 countries, with its chief market being the US. Despite a global economic downturn, the country's wood processing and furniture exports grew at an average rate of 15.5 per cent between 2007 and 2012, ranking Vietnam as the world's sixth largest exporter of wooden furniture and Asia's second largest.

In 2013, its wood and timber exports reached US \$5.37 billion, an increase of 15.2 per cent from the previous year (Vietnam Ministry of Agriculture and Rural Development).

Vietnam has a close trading relationship with China in particular, supplying over 44 per cent of China's wood chip imports by value in 2012. In the same year, over 70 per cent of its roundwood and sawnwood exports went to China. Its other major markets include the US, European Union (EU), Japan and South Korea.

As one of Vietnam's top 10 export sectors, the wooden furniture industry employs about 300,000 workers. The industry depends heavily on imported timber. Although Vietnam has 162 million hectares of forest, of which some 10 million hectares are considered natural, logging has been banned in most natural forests and the country's plantations are geared towards pulp, paper and wood chip production. About 136,000 hectares of forest are FSC-certified, and Vietnamese companies hold 377 FSC Chain-of-Custody certificates.

Recognising its heavy exposure to the US and EU markets, Vietnam is taking steps to build its capacity and systems to meet legality requirements of the international market. In 2010, it became the first country in the Greater Mekong region to launch negotiations for a Voluntary Partnership Agreement (VPA), a bilateral agreement between the EU and timber exporting countries that aims to guarantee that the wood exported to the EU is from legal sources.



Nam Bai Cat Tien National Park, Vietnam © B. Hayes / WWF-US

CORPORATE ENGAGEMENT

As part of the second phase of RAFT, the focus of which was capacity building of and knowledge sharing with strategic companies in Asia Pacific in support of their efforts for responsibly harvested and manufactured wood trade, WWF/GFTN worked directly with 21 companies on the implementation of responsible forestry and trade practices. These companies were selected for their commitment to achieving timber legality certification and improving their forest management.

Highlighted here are three success studies of companies that are leading by example and raising the bar in their respective countries.

From foes to friends: Sumalindo sets example of community collaboration

Indonesia

The Sumalindo timber firm in Indonesia was once seen as a bully by local villagers. In 1987, when its subsidiary Sumalindo Lestari Jaya IV (SLJ IV) started logging operations in East Kalimantan – in the heart of Borneo – it disrupted nearby villages by bulldozing tombs and covering creeks the villagers used for transport.

“The community was never involved in forest management or planning,” says Jones Lakan, head of Badan Pengelola Segah, a local, multi-village organization that now acts as a liaison between the community and the company. “The firm bulldozed many of the manggis trees, which are our legacy from our ancestors.”

Worse, the company’s activities damaged the forests, on which villagers relied for subsistence. “We take many things from the forest, like fruits, meat, fish,” Lakan says. “If the forest is destroyed, we will no longer exist.”

The unhappy villagers demonstrated in protest, which persuaded SLJ IV to stop its destructive activities in 2003 and open up a dialogue with the community.

This set the stage for fundamental changes in the way the company managed its 63,550-hectare forest concession, of which about 17 per cent is protected. Today, SLJ IV is held up as an exemplar in Indonesia, having worked closely with WWF/GFTN and TNC to implement a responsible forest management programme that involves tackling social conflicts and protecting biodiversity. SLJ IV now collaborates closely with five communities in and around its concession, which has resulted in greater economic benefits for locals as well as halted illegal logging and poaching of the endangered hornbill bird.

Such partnerships are crucial given the alarming condition of forest management in Indonesia, says Joko Sarjito, GFTN Responsible Forest Coordinator, WWF-Indonesia. SLJ IV’s turnaround shows that it is possible for Indonesia’s forest management to be on par with the best in the world.

“In responsible forestry management the company has to identify the indigenous rights and acknowledge them,” Sarjito says. “Before the firm starts work, they should go through a process called FPIC – obtaining free, prior and informed consent from the villagers. That is one of the key ways to solve or resolve conflicts.”

Sumalindo now allows villagers to work for the company as observers to prevent illegal logging, and has created a profit sharing model and provided scholarships, social aid and other help to the community.

“Now they will help if they can,” Lakan says. “They are committed to the communities’ proposal conveyed to them.”

Economic benefits of responsible forest management

As part of the RAFT programme, WWF/GFTN conducted training for the firm on how to identify High Conservation Value (HCV) forest areas, resolve social conflicts, monitor wildlife habitats, and implement Reduced Impact Logging (RIL). WWF/GFTN also helped Sumalindo carry out a Participative Rural Appraisal exercise to evaluate the progress of cooperation with the villagers, and a social impact assessment (SIA) to measure the effect of forest management activities on the surrounding communities. This collaboration has yielded new benefits for the company.

“One of the advantages most felt by the company when it implements a responsible management system is the employees’ work becomes more systematic and standardised. Their performance targets are also clearer,” Sarjito says.

The training also helped raise the company’s concern for the health of the employees and their families, and about the safety of the workers’ daily activities.

With GFTN’s help, SLJ IV obtained Indonesia’s mandatory Sustainable Forest Management (SFM) and SVLK certificates in 2013. But it wants to go further and be certified by the FSC. Its forestry subdivision head Uun Raudatal Jannah says the move makes business sense.

“The international market is becoming more competitive and many markets want FSC-certified timber,” he says. “We also hope we can charge more for such wood.”

For more information, contact:

Joko Sarjito, GFTN-Indonesia Responsible Forest Coordinator, jsarjito@wwf.or.id



Workers at SLJ IV factory. © WWF-Indonesia

FSC certification opens doors for Paiyangshan Forest Farm

China

When it comes to sustainable forest management, many Chinese companies are still lagging behind. Few companies in the world's second-largest economy are familiar with FSC certification, or driven to change their short-term business practices in the long-term interests of the environment. Paiyangshan, a state-owned forest farm in the Guangxi Zhuang autonomous region that was set up in 1955, is one of the rare companies blazing a trail for China in this arena.

The entire 19,028.5 hectare farm has achieved FSC Forest Management certification, 7.1 per cent for achieving controlled wood (CW) certification, which means this wood can be mixed with FSC-certified material to manufacture products under the FSC Mix label. Controlled wood certification is only awarded to wood harvested in any of these five ways: legally; not in violation of traditional and civil rights; outside of High Conservation Value (HCV) areas threatened by forest management activities; outside forests that are being converted to plantations or for non-forest use; or in forests that do not contain genetically modified trees.

Paiyangshan's progress towards certification was not without challenges. Like many others in China, the company had scant knowledge about controlled wood and where to seek help.

That is where WWF/GFTN stepped in. After introducing the concept to Paiyangshan, GFTN arranged for a certification body to complete the assessment of its controlled wood, and helped the company build capacity within its farm for such wood. With GFTN's technical assistance, Paiyangshan is increasing its volume of such products, on top of what has already been FSC certified.

Win-win situation for all

The benefits that FSC controlled wood certification brings to the forest community are significant. It demonstrates that a forest is operated legally, without violating civil rights or jeopardising important environmental or cultural values. It is also often the first step towards full FSC certification for wood. Amid a lack of sufficient FSC-certified wood, controlled wood also allows for products to be created from FSC-certified "mixed sources."

The controlled wood assessment for Paiyangshan has opened new possibilities for the forest farm to practise responsible forest management and trade. With the additional capacity now built for controlled wood, Paiyangshan benefits from more choices to meet the requirements of sustainability.

The move has also brought new economic advantages. Having FSC-certified products and controlled wood has created new profit avenues for Paiyangshan, as the demand for such products grows due to worldwide legislative requirements prohibiting illegal logging and encouraging the use of responsibly sourced wood.

"I believe we can have a win-win situation when it comes to the dilemma between profit growth and sustainable forest management," says Chen Qinglai, Director of Paiyangshan.

Today, Paiyangshan is one of the first companies in Guangxi to offer FSC-certified timber and forest products in the market. It is also on its way to being recognised as

an official GFTN participant. In China, where FSC awareness is low, Paiyangshan is an outstanding example to other forest farms in responsible forest management.

“We are very happy to see that Paiyangshan Forest Farm, such a state-owned forest company, are ready to take actions towards sustainable forest management by applying FSC certifications. And I believe their business case can be a good example for other forest companies in Chinese market,” says Jin Zhonghao, Director of Market Transformation, WWF-China.

For more information, contact:

Mingming Sun, GFTN-China Manager, MMSun@wwfchina.org

Nghia Phat brings sustainable furniture to consumers

Vietnam

A rise in demand for sustainable furniture among environmentally-aware consumers, along with new regulations against illegal wood harvesting in many timber-producing countries, is prompting furniture companies to take a closer look at how they obtain their raw materials and ensure that their sources are legal.

One such firm is Vietnamese furniture maker Nghia Phat Wooden Furniture Co. Ltd., which exports garden furniture to the US and Europe and counts French retail giant Carrefour among its customers. Along with its sister company Nghia Tin Wooden Furniture Co. Ltd., which produces outdoor furniture, Nghia Phat sources raw materials from ecologically diverse landscapes worldwide, such as acacia from Malaysia and eucalyptus from Uruguay and Brazil.

In recent years, both Nghia Phat and Nghia Tin have increased their purchases of FSC-certified timber. More than 90 per cent of the wood that Nghia Phat now uses meets FSC certification standards, which means it has been responsibly harvested, taking into account the ecological aspects of forestry – such as longer growth cycles, protection of native species and soil-friendly harvesting – as well as its economic and social impact.

The companies have been helped in their journey to responsible forest management by WWF/GFTN. GFTN-Vietnam is helping the companies not only to clean up their supply chains, but also to understand and comply with international legislation, which is not easy as laws vary widely from country to country.

“GFTN-Vietnam assists companies, including smallholder plantations, to advance towards responsible forestry by meeting basic legal requirements and achieving FSC certification,” says Uan Le Cong, GFTN-Vietnam Manager. “We conduct baseline assessments for companies to identify challenges they are facing with suppliers. We then help companies to address these issues, including formulating a five-year action plan to phase out illegally sourced timber in their procurement.”

Since Nghia Phat and Nghia Tin became GFTN participants in March 2013, they have received assistance in procuring responsibly harvested timber and wood products, monitoring their supply chains more effectively and improving their chain of custody system, which tracks all wood from the forest to the final product to ensure it is legitimately sourced.

The companies' efforts are crucial in setting a good example in Vietnam, which is Asia's second largest wooden furniture exporter after China. Vietnam currently lacks enough FSC-certified supply to support its huge wooden furniture industry, which employs 300,000 workers and is worth more than US \$5 billion annually. To close the gap, it is essential to create more awareness of the global demand for FSC-certified timber and to build the necessary domestic capacity for meeting certification standards.

Complying with legality

The Vietnamese government has recently enacted new laws for wood harvesting and trade, signalling the need for companies to make a concerted effort to tackle illegal logging.

The recent trend of global legislation against illegal timber trade means that companies committed to responsible forestry will gain from meeting the increasing demand for wood from non-controversial sources. Apart from adhering to regulations, responsible supply chain management also helps companies to ensure higher product quality and prices, better manage their risks, improve their corporate brand perception and address investor and stakeholder concerns.

"Ninety per cent of our market is in Europe, where customers care about deforestation. So 90 per cent of our material is FSC-certified wood," says Nghia Phat General Director Huynh Le Dai Phuc.

Maxime Barbot, from Carrefour Global Sourcing Asia's Vietnam office, agrees. "We are happy to see Nghia Tin join GFTN. We would like to ask all of our suppliers to join GFTN to make sure we have sustainable production and forest protection."

For more information, contact:

Uan Le Cong, GFTN-Vietnam Manager, uan.lecong@wvfgreatermekong.org

Forexco a role model for community collaboration

Vietnam

Farmer Lê Xuyên is a 20-year veteran of Vietnam's forestry industry. The 48-year-old plants and harvests forests on his own land, a trade he picked up from his forest-farmer parents.

Since the last 10 years, things started looking up for Xuyên as he began doing contract forestry work for Vietnamese firm Forexco, the first GFTN-Vietnam participant to obtain FSC certification.

Xuyên now manages 180 hectares of Forexco's plantation, helping to plant, nurture, manage and protect the forests. Training courses provided by the company have equipped him with better forest management abilities and knowledge on afforestation techniques.

As a result, Xuyên says, the forests he works on now generate higher yields and has reduced negative impact on the environment. His work with the company has brought personal benefits as well, allowing him to fulfil his entrepreneurial ambitions.



Farmer, Le Xuyen. © Angel Llavero / WWF-GFTN

“I invest the money that I get from cooperation with Forexco on other businesses such as opening my internet shop, investing more on my family forest, and trading in timber. I also encourage other households who own forests to follow FSC standards,” he says.

His family’s future will continue to rely on the forests, Xuyên says. His hope is for his son to “go to forestry college and take care of the family’s forests.”

Companies that manage their forests responsibly benefit not just the environment and their own bottom lines. They also have the power to improve the lives of the local communities, by ensuring the sustainability of the forests and by providing spin-off advantages such as employment for farmers.

“Collaborations such as community-based training enable participants to gain further understanding about the value of forests and how to maintain it,” says Dang Cong Quang, Vice Director of Forexco. “With FSC certification, local people also become more aware about the importance of the conservation of wild animals and indigenous plants.

“To engage local people in responsible forest management, raising awareness and conducting propaganda activities are not enough. We need to consider how to integrate the needs of and benefits for local people into the process,” he adds.

Forexco, a GFTN-Vietnam participant since 2006, is setting a new model for community engagement. The company has granted forest provisions to each local household and provided support in terms of techniques and seed financial capital to create employment. It also shares the revenue, at the end of each harvesting cycle, among community members.

Every year, Forexco restructures and fixes inner village roads, and gives about US \$1,000 (20 million Vietnamese dong) in support and scholarships to young students living around the company’s forests.

“Forexco’s philosophy on forest development revolves around sustainability, which balances three dimensions of performance: economic benefits, social progress and environmental protection,” Quang says. “Forexco has collaborated with local communities in forest capital development and management over the last 10 years. To sustain relationships we engage the local people, by understanding their needs and educating them on forestry benefits.”

This partnership has helped Forexco take positive steps towards responsible forest management.

“By persuading households with forests to work with us in sustainable forest management, we successfully expanded our FSC certification to another 250 hectares of forest in 2013,” Quang says.

For more information, contact:

Uan Le Cong, GFTN-Vietnam Manager, uan.lecong@wfgreatermekong.org

LEGALITY AWARENESS

Countering illegal timber trade with legislation

The enactment of laws by major governments in the last few years has resulted in a seismic shift in the legal landscape for the forestry sector. Such national legislations, and their enforcement, signal an increasing intolerance for illegal logging – a major driver of deforestation, forest degradation and, inherently, loss of irreplaceable biodiversity.

The amendment to the US Lacey Act in 2008 paved the way to demonstrating the intentions of a key market to stop illegal harvesting and related trade. This groundbreaking law also represented the world's first ban on trading illegally sourced wood products, setting an important precedent for the global timber trade and putting in place powerful incentives for companies involved to exercise due diligence and compliance.

This was followed by the passage of the European Union Timber Regulation (EUTR) in 2010 which came in force in March 2013. The regulation covers a wide range of timber products including furniture, pulp and paper, logs and sawnwood. Under the law, European Union (EU) operators must have systems in place to ensure that their timber is of legal origin, as defined by the laws of the country of harvest.

Another turning point was Australia's Illegal Logging Prohibition Act (AILPA), which was first passed in December 2012 and due for full implementation by 2014. With the Act, it became a crime to import illegally sourced timber and timber products, and to process Australian raw logs that have been illegally logged.

Though the laws are a step in the right direction, effective enforcement will be key to ensuring that they are not merely legislated on paper. The laws must be accompanied by stringent monitoring measures by governing bodies to ensure full adherence and strict enforcement. Only then would companies duly comply and establish traceability for their supply chains, even if just to avoid stiff penalties.

Additionally, while legality is an important step towards responsible forest management and trade, it is equally important, if not more, for companies to recognise that legislation is, at best, a starting point for full responsible management of the world's forests. It is the new baseline for all trading in timber in many of the world's major markets. Credible certification is vital because it not only ensures that the timber being sourced is legal, but also that it is produced in a manner that fully protects forests and the communities that depend upon them.

WWF considers FSC the most credible certification scheme as it ensures that forests are managed in an environmentally responsible and socially beneficial manner. FSC also provides guarantees that the timber being sold is coming from sustainable sources, an important element given that many country legality verification schemes – while a step in the right direction – may not always comply with the full set of legal requirements outlined in the Lacey Act, EUTR and AILPA.

For more information on various legal schemes, go to: http://gftn.panda.org/practical_info/legality/

The FLEGT Action Plan and Voluntary Partnership Agreements (VPA)

The European Union (EU) first published the Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan in 2003 to curb the rising threat of illegal logging. FLEGT sets out a range of measures – such as the new timber regulation – for EU member states to tackle illegal logging in the world's forests. As part of that action plan, the EU is also negotiating a series of bilateral Voluntary Partnership Agreements (VPA) with key timber producing countries.

As part of the process of achieving VPA, the incumbent timber producer country receives assistance to put in place a Legality Assurance System, a licensing scheme to provide guarantee that all relevant legislations have been complied with. However, it is important to note that the licence only applies to products covered under the VPA agreement and this varies by country. So a FLEGT licence should not be regarded as greenlight for all exports.

To date, six countries have signed a VPA with the EU and nine more are in negotiations.

National legality verification standards

Against the backdrop of the new legislative environment, there is a growing demand for evidence of legal timber and wood products in supply chains. To complement the efforts by consumer countries, several producer nations are developing their own national legality standards. Though much work remains to be done in this arena, particularly in Asia Pacific, such policies are a step in the right direction. Here is a look at the experience of four countries that have embarked on this route: Indonesia, China, Vietnam and Lao PDR.

Indonesia: Timber Legality Verification System (SVLK)

In 2009, the Indonesian government implemented the Timber Legality Verification System (SVLK) as part of its Regulation of Ministry of Forestry No. P38/Menhut-II/2009. This mandatory legal timber verification system covers timber and timber-based products and must be complied with by firms of all sizes in the trade.

SVLK is the culmination of six years of intensive negotiations between Indonesia and the EU, which resulted in the signing of the Indonesia–European Union VPA in October 2013. The agreement is aimed at ensuring that only verified legal timber and timber products are imported to the EU from Indonesia.

The key element of the agreement is the recognition of SVLK as part of the due diligence requirements of the EUTR permitting SVLK-certified timber products to be sold in all 27 EU countries.

Overcoming the challenges

For many Indonesian small and medium-sized enterprises (SMEs) with limited resources and capacity, achieving SVLK certification can be a challenge.

“Small-scale industries and SMEs are the backbone of Indonesia's economic growth. Thus it is important for WWF-Indonesia to assist the readiness of SMEs to achieve SVLK. Furthermore, this timber certification will help reduce deforestation rate in Indonesia,” says Anwar Purwoto, Director of WWF-Indonesia's Sumatra and Borneo Programme.

To address this, WWF-Indonesia partnered with the Indonesian Furniture and Craft Industry Association (ASMINDO) in 2013 to boost the capability of over 300 local SMEs with the goal to strengthen their technical capacity so that they will be able to achieve SVLK certification in the next three years. These activities are undertaken as part of the European Commission's SWITCH-Asia programme, which promotes sustainable products, processes, services and consumption patterns in Asia.

“It is particularly good to see that small producers have been able to work as a group to get SVLK certification. Some of the best craftsmanship came from small operations across Indonesia, and it is great that these operators can have access to the EU markets. The European consumers could also utilise their beautiful products for years to come,” says Collin Crooks, Vice Ambassador of EU Delegation for Indonesia.

According to Indonesia's Ministry of Forestry, the implementation of SVLK has boosted demand for Indonesia's furniture exports by 15 to 20 per cent, particularly in Europe where the market for sustainable products is expanding. Further, the government projects that exports will rise another 50 per cent in the next one to two years.

Call to strengthen standard

Though the [SVLK](#) is a step in the right direction, there is much to be done to strengthen the standard and ensure that it does indeed combat illegal logging. A recent independent evaluation of SVLK by a coalition of NGOs, including WWF, identified fundamental flaws in the certification standard.

The report found that since its inception, SVLK has gradually weakened and that several operations that received certification were, in fact, not in compliance with the government's laws and regulations, were not sustainable, were actually sourcing illegally produced timber from companies, and had serious legality issues in their forestry operations. The report further found that independent monitoring of the SVLK process has not been effective.

WWF has called on the government to actively identify shortcomings in SVLK and to strengthen the scheme so that it is effective in combatting illegal logging, deforestation and corruption.

China: Timber Legality Verification Standard

Despite China's important role in the global wood products market, there is little awareness for sustainability and even lesser market impetus to attain credible certification. FSC, in particular, has low recognition in the country.

In 2009, building on relevant experience in other countries as well as its own, China began work on developing a framework called the Timber Legality Verification Standard.

Led by the China National Forest Products Industry Association (CNFPPIA), establishing the framework included the development of the Chinese Legal Timber Verification Certificate – a full set of technical documentations, including standards, procedures, markings and management methods for legal timber verification. It also involved a one-year pilot project initiated in 2012, with the goal to establish a verification standard that is practical, scientifically credible and meets international trends while being cognisant of China's unique market characteristics.

By the end of the pilot work in November 2013, all eight participating companies – mainly medium-sized firms variously representing forest management, wood processing and timber trading, producers of wood flooring and furniture – passed the verification and were authorised to use the label of “legal timber verification.”

One other achievement through the process of developing this verification standard is the increased capacity for auditing following the organised training of some 700 enterprises on the latest development of Convention of International Trade of Endangered Species (CITES) and basic principles of legal timber verification.

However, as revealed by the pilot, this system of establishing legality verification standard is not without its limitations. Following the eight successful certifications, many more operators and processors have applied to be enrolled in the scheme, reflecting the urgent need for capacity to admit companies committed to the legality cause so the CNFPPIA needs to expand its pilot quickly.

The pilot also showed that such a scheme is only as good as the operational system in the country. For greater effectiveness, many operational aspects need to be improved in terms of verifying the legality of both local and imported timber in accordance with relevant documentations, and tracking and identifying them during the processing of such timber.

Policy changes for responsible consumption and production

Beyond establishing a timber legality verification scheme, the Chinese government recently took steps to implement policy changes in the public sector to steer the country towards responsible consumption and production of their forest products. It introduced the “Procurement Code for Environment-friendly Wood-based Panel” in June 2013 to promote the purchase of legal wood, requiring documentary proof of legality of the raw material at the time of purchase.

“WWF welcomes the progress made by the Chinese government in promoting more responsible consumption for environment-friendly forest products,” says Jin Zhonghao, Director of Market Transformation, WWF-China.

In another strong move to tackle illegal logging, the State Forestry Administration (SFA) launched the Guidelines for Sustainable Trade of Forest Products and Investment for Chinese Overseas Enterprises in a critical document that serves as a call to action for all stakeholders to promote responsible trade and overseas investment for forest products.

Jin regards the guideline as “a step towards implementing a Chinese regulation similar to the EU Timber Regulation and the US Lacey Act.” An exciting development arising from this SFA initiative is the interest generated in other sectors in China – for example, a similar guideline for responsible mining for Chinese overseas enterprises is now in the pipeline.

Vietnam: Towards sustainable forest management

**VIETNAM LOST
FOREST COVER
AT A RATE OF
43% BETWEEN
1973 AND 2009
(WWF)**

Like the rest of the Greater Mekong region, Vietnam has lost forest cover at an alarming rate of 43 per cent between 1973 and 2009, according to [WWF estimates](#). This has been partially driven by unsustainable levels of resource use, including export demand for wood products, as well as illegal logging and timber exports. Vietnam’s export industry continues to strengthen, but a rising focus on legality in its top consumer markets is pushing the government to start taking serious steps to address illegal logging and trade.

Since certified forest area remains relatively modest in the country, the ongoing FLEGT-VPA negotiations – first started in late 2010 – between Vietnam and the EU present an opportunity to shift the focus and resources from voluntary certification to the development of national legality verification systems. The agreement requires that Vietnam develop a legality assurance system to ensure that only legal timber is exported from the country.

“In recent years, the government of Vietnam and people as a whole have put in great efforts to be involved in international initiatives and agreements to prevent and fight illegal timber logging, utilisation and trade, contributing to sustainable forest management,” says Hua Duc Nhi, former Vice Minister of MARD and former Director General of the Forestry Administration. “To succeed in the implementation of the response plan to the US Lacey Act and the EU Timber Regulation requires strong measures from the government, the active involvement of enterprises, forest owners, and community-based organisations together with the support of the donor community.”

The Vietnamese government is currently developing a national standard on sustainable forest management though it is still in early phases.

Notwithstanding, notable progress has been made since commencement of negotiations.

Three independent studies have been launched by the government of Vietnam aimed at informing the negotiation process. The first was Vietnam's timber legality definition framework which includes gaps that need to be bridged. This framework is now in its sixth draft and being consulted with communities across some six provinces.

The second study is on domestic and imported timber flows; but it is the third, an analysis of stakeholders and engagement plan, that is of particular importance as civil society engagement is a central VPA principle.

The Vietnam Administration of Forestry (VNFOREST) has also started work on developing the Timber Legality Assurance System (TLAS).

Despite the various FLEGT/VPA activities being set up, however, the extent of stakeholder involvement remains unclear. The concerns are several fold: the political will to ensure adequate participation, the level of awareness among Vietnamese stakeholders, and how they might secure a foothold in the dialogue. This means that the VPA negotiations must break out of its apparent drafting process into one that includes consultative participation.

Lao PDR: Starting out

Lao PDR only formally entered into negotiations for a FLEGT-VPA with the EU in late 2013. Hence, a mandatory national legality verification system has yet to be established, although studies and other preparatory work are underway. The Lao government has also recently launched a pilot program in two southern provinces to track the movement of timber from sawmills and wood-processing factories. This move came after unprecedented media attention and government statements on the threat from continued illegal logging in the country.

One of the reasons for the nation's hitherto slow progress in voluntary legality verification programmes and credible certification is the low volume of timber it exports directly to global markets sensitive to timber legality. The country's forest products export markets are dominated by Vietnam and Thailand, and to a lesser extent, China (Forest Trends, Baseline Study 2 Lao PDR: Overview of Forest Governance, Markets and Trade). The lack of international market demand for Laotian wood is often cited by Lao companies as one reason for their reluctance to spend on audit costs associated with Chain of Custody (CoC) certification, even though they may already adopt CoC-compliant practices in their operations. Another important reason is the opaque and unpredictable log quota system, which is currently suspended in national production forests. Consequently, few processing companies in Lao PDR are certified.

The Lao government hopes to open up new markets for legal timber – both natural and planted – through the VPA process, and to create opportunities for the local wood-processing industry to access the EU market and diversify their exports into more discriminating, higher-value market segments. A successful VPA process should pave the way for more industry awareness about sustainability and credible certification, and also help in creating the enabling conditions that will promote uptake of certification.

WWF is supporting the FLEGT-VPA process in the Greater Mekong region through a US \$2.8 million grant from the European Commission's Environment and Sustainable Management of Natural Resources including Energy (ENRTP) Facility. This is financing a four-year project to strengthen local capacity for multi-stakeholder development and implementation of VPAs in Laos and Vietnam, and to improve the transparency and governance of timber flows between the two countries.

http://awsassets.panda.org/downloads/gftn_october_2013_newsletter_final.pdf



Sustainable rattan, Lao PDR. © Simone Stambach / WWF-Switzerland

TRAINING AND KNOWLEDGE SHARING

Media turns spotlight on responsible forestry

Journalists from around the world travelled to RAFT sites in China, Vietnam and Indonesia last year to learn about the urgent need for responsible forestry and timber trade in Asia. The tours – designed to showcase how responsible forestry works from the forest to factory to consumers – featured site visits to forest farms and timber factories, in addition to meetings with company and government representatives.

The tours resulted in higher media awareness of the benefits and challenges of responsible forest management, which in turn led to positive news coverage that helped to enhance public education. Given the still relatively low level of understanding about the issues at stake in responsible forestry, media trips such as these can play a critical role in raising social consciousness of the importance of a legal and sustainable timber trade.

Vietnam: The press trip took place in September 2013 in Quy Nhon and Quang Nam provinces in Vietnam, where journalists from the German Press Agency (DPA), Vietnam News, Saigon Times, Tuoi Tre and Bois News Agency visited a furniture factory operated by Nghia Phat and an FSC-certified plantation owned by Forexco. During the three-day visit, journalists saw first-hand the difference between a responsibly operated, FSC-certified concession and a non-certified one. Reporters also witnessed how sustainability comes into play in Vietnam's furniture sector, one of the largest in the world. The journalists also spoke about the challenges and benefits of sustainable logging with representatives from WWF/GFTN and French retailer Carrefour, a key buyer.

China: A group of Australian and Chinese journalists toured Guangxi and Guangzhou provinces in China in October 2013, visiting the forests and manufacturing facilities of Paiyangshan Forest Farm Group, one of the first companies in Guangxi to provide FSC-certified timber products. The media team – representing China Daily, China Business News, Caixin Media and The Australian – also stopped by Homebon Timber, which produces parquet flooring for Power Dekor, a leading flooring company in China that has been a GFTN participant since 2008. The companies shared with the media group the advantages and difficulties of obtaining FSC certification, managing supply chains and promoting responsible consumption of timber products in China.

Indonesia: This media trip was held in Berau, East Kalimantan in Indonesia over four days in November 2013. Journalists visited various sites to gain an in-depth understanding of the timber industry's efforts to ensure legality and sustainability in their wood harvesting processes, and the industry's partnerships with local villages and government. The agenda focused mainly on the work of timber company Sumalindo Lestari Jaya IV (SLJ IV), which has come a long way in developing sustainable forest management practices and working with the local community to help maintain forest security and prevent illegal logging.

For more information on the RAFT press trips, contact:

Huma Khan, GFTN Communications Manager, huma.khan@wwfus.org



WWF/GFTN and TRAFFIC launch joint web site

WWF/GFTN and TRAFFIC, the wildlife trade monitoring network, have been working jointly for a number of years to combat illegal logging, deforestation and forest degradation, and to build the capacity of companies and institutions to tackle the challenges facing the industry. The joint goal is to ensure that illegal logging is an activity of the past and stop being a threat to the conservation of nature.

Critical to the efforts of industry players such as factories and forest management units to start and maintain responsible forest management operations is an adequate knowledge pool of legality requirements of key consumer countries and current best practices.

To raise awareness and disseminate information on latest legality standards and verification systems in the global timber trade, WWF/GFTN and TRAFFIC jointly produce a range of tools, guides and training materials to help companies in their journey towards responsible forest management and trade.

For more information, visit <http://gftn.panda.org/traffic/>

National Legality Frameworks: Assisting stakeholders to understand legality

While national legislations such as the US Lacey Act, EUTR and the AILPA are an important step towards mainstreaming responsible forestry and trade, there is often a gap between these requirements and the ability of companies to understand and comply with them completely.

Acting as a support to these policy developments is WWF/GFTN and TRAFFIC's Common Framework for Assessing Legality of Forestry Operations, Timber Processing and Trade, also known as the Common Legality Framework and the National Legality Framework when applied to a specific country.

The Framework is a simple checklist designed to help governments and companies understand relevant laws, regulations, administrative circulars and contractual obligations that affect forestry operations, timber processing and trade.

“These frameworks are especially important now, partly because of growing interest in this subject both from the general public and at a government level,” says Chen Hin Keong, Timber Trade Programme Leader of TRAFFIC. “It has been a long time coming to develop the political agenda as well as public awareness that legality is the first step towards sustainability.

“The checklist is very simple,” he adds. “It is easy for companies and other stakeholders to look at the legality options along the supply chain to make sure that all the documentation required is available.”

Above all, use of the Frameworks directly supports implementation of FLEGT and bilateral VPAs, the Lacey Act and the AILPA by promoting equitable and just solutions to the illegal logging problem that do not have an adverse effect on the poor. The Framework also helps partner countries to build systems to verify that timber has been harvested legally, promotes transparency of information and policy reform, helps

companies to meet legal requirements and builds the capacity of civil society and partner country governments to participate in these processes.

To date, 15 National Legality Frameworks have been completed, four of which were updated and/or developed under the RAFT programme.

The framework is available for download here: <http://gftn.panda.org/resources/tools/?202483/Framework-for-Assessing-Legality-of-Forestry-Operations-Timber-Processing-and-Trade>

For more information, contact:

Chen Hin Keong, TRAFFIC Timber Trade Programme Leader, hk.chen@traffic.org

Raising awareness of responsible forest management through training

The importance of legal and responsible forestry may be indisputable, but the network of international regulations surrounding the global timber trade can be difficult for stakeholders to navigate. With this in mind, WWF/GFTN and TRAFFIC, the wildlife trade monitoring network, organised a series of training events in 2013 to help company executives, government officials and industry associations gain better awareness of how to verify the legality of timber sources and improve forest management practices.

The workshops were part of the outreach efforts by the RAFT partnership targeted at growing the number of producer and processing countries, factories and forest management units with robust and practical legality standards and verification systems in place.

The training initiative

Four workshops were held in major timber exporting Asian countries – two in China and one each in Vietnam and Indonesia – as part of this outreach initiative. Titled “Legality of Exporting Forest Products to the European Union, Australia and the USA,” the sessions covered topics including global timber trade flows; practicalities of establishing legality verification systems that support compliance with regulations in key consumer countries such as the US (Lacey Act), Australia (Australia Illegal Logging Prohibition Act) and the European Union (EUTR); and case studies of companies that have achieved compliance with these laws.

The workshops also educated participants on tools and approaches to help them verify the legality of their timber supplies, meet the requirements of importers seeking verified legal timber and progress toward credibly certified forest operations. Nearly 300 participants from companies, governments, timber trade and manufacturing associations and the media attended the workshops, which were translated into local languages to facilitate better understanding.

Country workshops

In China – one of the world’s largest trading centres for timber – the first training event was held in Nanxun on 15 October, 2013, in partnership with the China Timber and Wood Products Distribution Association, Huzhou Nanxun Wooden Flooring Association and the Wujiang Wooden Flooring Chamber of Commerce. A second workshop, organised in collaboration with the Wood Chamber of Commerce, was held in Pizhou, Jiangsu province, two days later.

On 31 October, 2013, a training workshop was conducted in Vietnam in collaboration with the Vietnam Forest Products and Timber Association. Vietnam is a key player in the Southeast Asia timber trade – it exports processed wood products to over 120 countries, of which 80 per cent ends up in the US, EU and Japan. As it is also a major buyer of timber from Laos, which has yet to approve outreach activities, legality education in Vietnam can indirectly influence logging companies in Laos, boosting sustainability efforts in the latter country.

Indonesia hosted the fourth workshop on 7 November, 2013, with the support of the Indonesia Ministry of Trade. Among the highlights was a presentation by the Ministry of Forestry on Indonesia's SVLK system, which will help Indonesian companies achieve compliance with EU regulations and which is mandatory for all timber industry participants in Indonesia.

All four workshops were well received by most participants and the training events also enjoyed considerable press coverage across 17 media outlets: 13 in China, three in Vietnam and one in Indonesia.

‘Train the trainer’ sessions

To augment the education process, three additional workshops were held for industry associations and training institutions to help them implement their own training programmes for companies in their countries. These “train the trainer” sessions, which were supported by the Australian government and IKEA, were held in November in Beijing, Surabaya and Ho Chi Minh City and attended by 77 participants in total.

On the whole, the training initiative met its targets in disseminating information about the global legality standards and verification systems for trade in forest products. Workshop participants were also provided with information on sources for additional support and assistance on compliance issues. Most participants said they support such training efforts and would recommend that their colleagues sign up for future sessions. Feedback was also received on how to improve the workshops, including allowing more time for interaction between trainers and participants and having better translation processes.

The modules from the training sessions, including translated versions, are available for download here: http://gftn.panda.org/traffic/legality_training_seminars_2013/

For more information, contact:

Chen Hin Keong, TRAFFIC Timber Trade Programme Leader, hk.chen@traffic.org

GFTN’s guides to legal sourcing and exporting updated

New developments constantly take place within the sphere of legality of the global forest trade – legislative processes in the US, Europe and Australia and changes within certification and chain of custody. To enhance the advice available regarding legality to its participants and the industry at large, WWF/GFTN updates its publications rigorously.

The GFTN Guide to Legal and Responsible Sourcing

The interactive GFTN Guide to Legal and Responsible Sourcing includes features for enhanced reader experience: from an inbuilt search function using key terms, to printable and downloadable sections.

The website is ideal for a sourcing organisation that wishes to develop a due diligence system for the responsible sourcing of forest products. It lays out a generic approach for the development and implementation of a responsible sourcing policy based on both tried and tested mechanisms and extensive experience in the development of such programmes.

Comprising 15 sections, the Guide covers a wide range of useful topics such as Responsible Sourcing Programme Elements, Supply Chain Review, Policy Development, and Checklist for Achieving Environmental Status.

Access GFTN's Guide to Legal and Responsible Sourcing here: <http://sourcing.gftn.panda.org/>

Exporting in a Shifting Legal Landscape 2nd edition

WWF/GFTN and TRAFFIC's guide to legal exports, "Exporting in a Shifting Legal Landscape," has been updated to include the latest on the Australia Illegal Logging Prohibition Act and EU Timber Regulations (EUTR). The new volume also contains updated summaries of legality tables for China, Gabon, Malaysia and Vietnam, as well as new summaries for Lao PDR, Cameroon, India, Russia, Myanmar and Brazil.

The Guide is aimed at companies that export, or intend to export, forest products to the US, EU and Australian markets. It is designed to allow companies to assess their own performance and it offers advice on how they can meet the needs of their target markets who are required to know that the forest products they import have been legally harvested and traded.

The guide is also of benefit to forest service, customs officers and other governmental officials who serve as enforcement officers in the national forest law and related legislation that apply to all stages of the supply chain from harvest to export and import.

Access the "Exporting in a Shifting Legal Landscape" guide, including translated versions, here: <http://gftn.panda.org/resources/tools/?193890/Exporting-in-a-Shifting-Legal-Landscape>



Timber industry. Kalimantan (Borneo), Indonesia. © Tanyo Bangun / WWF-Canon

LEGALITY VERIFICATION & RESPONSIBLE SOURCING

The business case for responsible forest management and trade

Responsible wood sourcing, or purchasing, refers to a buyer's adoption of policies and practices with the intent to discriminate in favour of suppliers using wood and fibre from well-managed or certified forests against those using wood from unknown or illegal sources.

Companies have repeatedly cited the business case for responsible purchasing – from contributing to the need to sustain raw material supplies in the long-term, to satisfying the ethical concerns of consumers, shareholders and employees.

Many more reasons abound in support of responsible purchasing as revealed by the companies that GFTN worked with under RAFT in 2013. These companies – many of which were small and medium-sized enterprise (SME) manufacturers with a minority being forestry companies – were engaged in a series of activities such as capacity building, implementation of legality verification and development of action plans to improve legal and responsible sourcing of forest products.

As diverse as they may be, being based in Indonesia, China, Vietnam and Laos, they share one thing in common – a vested interest in responsible sourcing. A survey by WWF/GFTN to assess the economic benefits of responsible forest management revealed the following benefits to pursuing responsible forestry:

Potential access to new markets

One of the biggest reasons cited by survey respondents was the potential to break into new markets when they are able to comply with the legal requirements enforced by major markets such as those of Australia (Illegal Logging Prohibition Act), Europe (EUTR) and US (Lacey Act).

Requirements from customers

Buyers from major markets such as those mentioned above have legal and responsible sourcing policies that require suppliers to supply certified products. Exporters wanting to sell to them or remain a part of their supply chains will be required to comply with the buyers' policies.

Improvement of business management systems

For many companies, the process of developing and implementing systems required for legality verification and responsible sourcing provides another attraction – the opportunity to improve their production line, traceability and overall business management systems. As companies streamline their operations, they reap many benefits including significant reduction in production waste.

Adherence to group corporate policies

It has become common today for businesses, especially large corporate groups, to adopt legality verification and responsible sourcing as part of their corporate policies. Companies associated with or affiliated to such groups naturally will need to align their operations accordingly.

Stronger brand recognition

Besides policy alignment, the adoption of legality verification and responsible sourcing increasingly adds value to brands and allows companies to mitigate risks to corporate reputation and brand equity that illegal and irresponsible trade can bring.

Support during implementation

While the process of legality verification and certification requires capacity building, as well as outlay on development and implementation, companies willing to embark on this journey can expect much support – for example from organisations such as WWF/ GFTN and the RAFT partnership, as well as respective governments – making it easier for them to be persuaded into adoption.

Sustainability of forests

Sustainability of the forests – in terms of a sustainable supply of raw materials to drive the forest industry – was another reason cited by respondents. Companies recognise that certification helps guide forest managers on the development and implementation of responsible forest management that, ultimately, allows forests to thrive, be productive and become a long-term reliable source of timber. FSC certification provides a framework of good practices that guides forest managers on the development and implementation of responsible forest management in line with their commitment to forest sustainability.

Challenges facing the industry

Despite the many benefits associated with the adoption of legality verification and responsible sourcing, several challenges do stand in the way.

Limited knowledge and capacity to manage supply chains

Some companies continue to run their operations along the traditional sourcing model, which is often in direct contrast to a supply chain management approach that includes traceability. Many SMEs lack the knowledge and capacity to make changes to their systems in any significant way in the short or even medium term.

Skill and staff shortage

The pool of talent with forest and sourcing management skills is often small and out of reach for many companies, particularly SMEs, which lack the resources to hire and retain qualified personnel due to inadequate or non-existent training opportunities or remuneration packages that are simply not competitive.

Lack of a level playing field for certified products

The reality remains that companies adopting legal and responsible forestry would still need to compete in a market that's prevalent with illegally sourced products, which are likely to be cheaper because there had been no investment of additional processes, time, taxes and effort required to comply with the law.

Lack of capacity down the supply chain to achieve traceability

Companies rely on their suppliers to manage the risk of illegal and unsustainable logging. However, supply chains can be complex and information may be porous only to the immediate direct suppliers, making it difficult for companies to exercise due diligence.

Apart from the supply chain, some SMEs may not even have the systems or space to manage internal traceability. It can be time consuming to develop the systems and capacity for a supply chain database that guarantees transparency.

Faltering commitment in customer requirements

Where customers do not require responsible sourcing, companies may find it difficult to remain committed to the cause, especially when legality verification and forest certification are viewed by top management as a mere instrument to gain access to new markets.

Substantial time investment required

The substantial investment of time and cost required to develop a responsible sourcing programme can be a deterrent for many companies especially in the absence of strong forces compelling them to undertake such a programme.

For more information, contact:

Angel Llaveró, GFTN Responsible Purchasing Coordinator, allaver@wwf.panda.org



Workers at Nghia Phat furniture factory, Vietnam. © Ngan Nguyen Thi Phuong / WWF-Vietnam

RAFT PARTNER ACHIEVEMENTS

Wind of Change

Papua New Guinea

Growers and cultivators have long prized the rich volcanic soil of the Gazelle Peninsula in Papua New Guinea's East New Britain Province. The peninsula has been a major agricultural centre since the late 19th century when the German colonial administration in PNG cleared it for production of coconut, cocoa and coffee, as well as for cattle grazing.

These long-standing crops served local farmers well for almost a century. But a combination of low copra prices and an infestation of cocoa pod borer in the late 1990s saddled many farmers with bank debts they were unable to pay. However, a new crop, balsa (*Ochroma pyramidale*), is offering an alternative income stream to farmers on the peninsula.

Balsa trees are native to the rainforests of South America but have also proved extremely receptive to the climactic conditions in tropical PNG. They are extremely fast growing and can be harvested five years after being planted, which is relatively quick compared to many other tree plantation species. The trees produce a timber that is lightweight and strong. It has traditionally been used for the construction of model aircraft and also for full sized light aeroplanes. These days, one of its primary usages is as the core material in the turbine blades used to generate electricity from wind power, one of the world's most promising sources of renewable energy.

Ninety-eight per cent of the wood produced by PNG Balsa Company, the firm responsible for introducing the species to the Gazelle Peninsula when it set up the area in 1997, is sold to companies who build these turbines. Therefore, the lion's share of the balsa being grown in PNG is going directly to firms pioneering a shift away from harmful fossil fuels towards renewable energy. The balsa cultivation, spearheaded by PNG Balsa Company, totals around 3200 hectares at present and has produced a number of benefits for communities in the area it operates.

Through a joint venture with struggling cocoa farmers, PNG Balsa replants the land with balsa, then maintains and harvests the crop. When the crop is harvested every five years, farmers get a cut of the profits. This arrangement has enabled farmers to settle their debts, keep ownership of their land, and reap better financial returns than they were getting through cocoa cultivation. PNG Balsa also gives financial support to schools and an eye clinic.

As the company is gaining recognition internationally, it is looking to attain FSC certification to meet the legality and sustainability requirements of international buyers. Much of the support and help to attain FSC certification comes from the Tropical Forest Foundation (TFF), a RAFT partner. RAFT's work in helping PNG Balsa achieve FSC certification is an example of how it is building the capacity of forward-thinking companies in Asia Pacific to practice legal and sustainable forest management and trade. By doing so private enterprises across the region are being encouraged to manage forests more responsibly and bring more transparency to the global wood products trade.

For more information, contact:

Art Klassen, Regional Director, Southeast Asia, TFF, tff@cbn.net.id

Growing Good Ideas

Lao PDR

Teak (*Tectona grandis*) is prized for its durability and water resistance, and is used for boat building, exterior construction, veneer, furniture, carving, turnings, and other wood products. Although Lao PDR is relatively rich in forests, it has an unclear and burdensome legal framework which constrains the ability of small teak plantation owners to access higher value markets for legal and sustainable products. Nevertheless, teak is widely planted throughout the country and represents a large opportunity to improve the livelihoods of thousands of small farmers.

The Forest Trust (TFT), a RAFT partner, recognized that overcoming the challenges to teak production required a multi-stakeholder partnership with the local farmers and the Lao government.

By helping farmers maximise the value of their product through FSC certification, the partnership would increase potential earnings from domestic and regional market sales. FSC-certified wood could be exported to more strictly regulated markets such as Australia, the EU and the US, creating new market opportunities. This idea was given life with the commencement of the Luang Prabang Teak Program (LPTP) in 2007, in the village of Ban Kok Ngiew.

With the support of LPTP, farmers organise themselves into “Teak Farmers’ Groups” and legally registered their members’ wood lots. Although the Lao government officially owns the land they farm, by registering their plantations farmers gain the right to sell wood along with exemption from land taxes and compensation for any appropriated land.

After four years of training and practical experience, LPTP achieved FSC Forest Management and Chain of Custody (CoC) certification in May 2011. Since then, LPTP has, in many cases, more than doubled incomes from teak farming while delivering wood into markets for responsible products.

“Through the LPTP program we have learned how to measure and price our logs, which means that we can sell to responsible markets,” says Kao Sisompou, head of the Kok Ngiew Teak Farmers Group. “With more knowledge we are able to improve our negotiation power. This has increased our earning potential. Before, many of us saw our teak as a way of making quick cash by selling to local traders. Now we are aware that it can really be a long-term revenue stream that will benefit our families and generations to come.”

In 2013, with continued training and technical support provided by TFT, two new villages joined the LPTP FSC certification group, and four others have begun the process of becoming a group member. In addition, 90 farmers have submitted applications to register their plantations, a key first step towards satisfying legality requirements and ultimately achieving FSC certification.

RAFT’s work in Lao PDR is an example of how stakeholders can be engaged to work collaboratively towards goals that satisfy a variety of needs. Communities have benefited from training and technical support, and the LPTP supports the Lao government under its Forest Strategy 2020 and the National Growth and Poverty Eradication Strategy, both of which promote small-scale tree plantations for commercial production and meet the country’s target for increasing forest cover.

For more information, contact:

Katia Masias Broucker, Programme Manager, TFT, k.masias@tft-forests.org

Sharing the Forest

Indonesia

In spite of recent successes in combatting illegal logging, the deforestation rate in Indonesia remains high, threatening both biodiversity and those who rely on forests directly for survival.

A microcosm of this urgent threat can be seen in Berau District in East Kalimantan. As Berau seeks economic development for its people, its forests face multiple threats from legal and illegal logging, clearing for oil palm and timber plantations and coal mining.

For more than a decade, The Nature Conservancy (TNC), a RAFT partner, has been engaging communities in the management and protection of forests and forest resources in Berau and has helped 45 villages totaling 16,500 individuals to work collaboratively with timber companies operating where they live and increase their benefits from the forest through the facilitation of Collaborative Forest Management (CFM) agreements.

CFM is loosely defined as a working partnership between the key stakeholders in the management of a given forest. Key stakeholders in this case being the communities within and around logging concessions and the logging companies themselves.

Through the RAFT program, TNC has developed a CFM toolkit and begun to train local organizations to take the lead in negotiating these CFM agreements in order to build local capacity and reach even more communities.

One example of this is TNC's work with Forum Kampung Hulu Kelay (FKHK), a local community-based organization in Berau, to facilitate a CFM process between the villages of Long Duhung and Long Boy – totaling 300 people and 79 households – and the 4 timber concessions surrounding them – namely, PT. Karya Lestari, PT. Mardhika Insan Mulia, PT. Wanabakti Persada Utama and PT. Aditya Kirana Mandiri.

To help the two communities protect their livelihoods and their way of life, TNC and FKHK are bringing the villagers and companies together to agree on a way to jointly manage and share benefits from the land.



Local community members participate in the negotiation of a CFM agreement, East Kalimantan, Indonesia. ©Justin Mott / RAFT

An important part of this work has been to conduct a survey together with communities of important places and – such as ancestral graveyards and fruit orchards – and land use needs – like identifying the size and location of areas for farming and rubber plantations.

TNC and FKHK have also worked with the logging companies to ensure that the management is committed to sustainable forest management, that goes beyond sustaining timber extraction and takes into account the social and cultural importance of the forest all around them.

FKHK is one of two organizations in Berau, together with Perkumpulan LIKOS, that TNC is working with to build local capacity to negotiate CFM agreements, in order to reach a wider number of communities and companies and institutionalize these critical skills for the long-term.

For more information, contact:

Herlina Hartanto, Terrestrial Programme Director, TNC Indonesia, hhartanto@tnc.org

BEYOND RAFT

FSC in the Greater Mekong region crosses half-million hectare mark

**THE GREATER MEKONG
REGION COVERS
CAMBODIA, CHINA
(SPECIFICALLY YUNNAN
PROVINCE AND GUANGXI
ZHANG AUTONOMOUS
REGION), LAOS,
MYANMAR, THAILAND
AND VIETNAM**

**IT HAS A TOTAL LAND
AREA OF 2.6 MILLION
SQUARE KILOMETRES,
AND A COMBINED
POPULATION OF ABOUT
330 MILLION**

**ESTIMATES OF THE
REGION'S FOREST COVER
VARY, WITH OFFICIAL
FIGURES PUTTING IT AT
ABOUT 47 PER CENT**

**SOME 567,630 SQUARE
KILOMETRES OF FOREST
(22 PER CENT OF LAND
AREA) ARE CLASSED AS
PRODUCTION FOREST**

On 9 May 2014, FSC reached a milestone in the Greater Mekong region with the certification of 33,149 hectares of mostly natural forest in central Vietnam managed by the Truong Son State Forest Enterprise. This brought the total area certified under FSC forest management standards in the region to 503,820 hectares, almost 13 years after the very first certification in Thailand in 2001. Further progress in Vietnam since May has raised the total to more than 531,000 hectares.

Although Thailand kicked off certification in the Greater Mekong, and Vietnam took it past the half-million hectare mark, the largest share of FSC-certified forests in the region is in Guangxi, China, which currently has 250,906 hectares (47 per cent). Vietnam is second with 136,706 hectares (26 per cent), followed by Laos with 105,241 hectares (20 per cent), Thailand 25,707 hectares (5 per cent), and Cambodia 12,746 hectares (2 per cent).

Despite this achievement, FSC has far to go before it makes an appreciable impact on forests in the Greater Mekong. Certified forests as a whole account for less than 1 per cent of the region's production forest area. Even in Guangxi, they account for only about 2.9 per cent of production forests (in Vietnam, the equivalent figure is 2.1 per cent). Moreover, WWF's analysis shows that almost two-thirds of the region's certified forests are plantations, including some rubber. The larger proportion of certified natural forests is concentrated in Laos, Vietnam and, to a lesser degree, Guangxi. About two-thirds of the region's certified forests are managed by state entities, and the rest by private ones (ranging from large companies to small farmers). In the whole of Greater Mekong, only a tiny patch of 315 hectares in Thailand is certified as community managed, and is itself part of a privately held group certificate.

Expanding the area of certified forest, in particular natural forest, in the Greater Mekong faces stiff challenges. Across the region, natural production forests either are under harvesting moratoria or suffer from high rates of uncontrolled and illegal logging, limiting the incentives to improve management. Certification also remains costly and demanding, often requiring large injections of external funds and technical assistance. And, in the market, demand and prices for certified wood are unexceptional, especially for the many lesser-known species left in secondary forests.

Certifying plantations tends to be more straightforward, and future growth in certification in the Greater Mekong is likely to be in the plantation sector. Yet the small-scale nature of this sector in countries like Thailand and Vietnam means that large group certification schemes are needed to achieve the necessary economies of scale in production and marketing, and these demand intensive coordination. Even then, locally produced certified wood can be outcompeted by cheaper imports from larger, more efficient certified producers.

Still, there is greater awareness of FSC and a bigger focus on legality, which provides hope that the Greater Mekong will see its next half-million hectares in much less than 13 years.

“The overall rate of growth in certification has accelerated in the past five years as industry and consumer awareness has grown,” says Matthew Markopoulos, WWF-Greater Mekong’s Regional Forest Coordinator. “Countries are also reworking their regulatory frameworks to stimulate investment in, and better management of, forests. The results are still patchy, but WWF is hopeful that measures such as the FLEGT VPAs (Voluntary Partnership Agreements) some countries are negotiating will help to facilitate standard setting and certification. WWF is committed to supporting these efforts through its Global Forest and Trade Network (GFTN), a new FLEGT support project in Laos and Vietnam, and ongoing work to promote responsible forest management and trade, including certification of village rattan forests and smallholder Acacia plantations.”

For more information, contact:

Matthew Markopoulos, Regional Forest Coordinator, WWF-Greater Mekong,
matthew.markopoulos@wwf.panda.org

Log export ban goes into effect in Myanmar: Too early to determine impact

On April 1 2014, a new law went into effect in Myanmar banning the export of raw logs from the country with the goal of stemming deforestation and ensuring that Myanmar gets the full value of its timber by processing it domestically.

It remains to be seen if the log export ban will help preserve Myanmar’s forests. The effect of the ban needs to be demonstrated over time, but it is a good sign of a commitment to control the legal export of timber from Myanmar. However, for the ban to be effective, it must be complimented with support for domestic processing to make up for any potential inefficiencies created by lower domestic prices when the export ban goes into effect. Experience from applying bans in other countries indicates Myanmar should: a) control any expansion in domestic processing capacity and raw material demand; and b) ensure adequate investment in modern, efficient processing technologies.

In terms of illegal logging, it’s a sign — a recognition — of the need to seriously address this issue head-on. But given the high volume of illegal logging and exports in Myanmar, it will take a long time before it’s clear how effective the ban will be. There will be major challenges, but it’s a law, so there’s a basis to challenge and a method to achieve accountability. It’s crucial that this ban is strictly enforced, with complete transparency.

The previous quota system didn’t result in the country receiving full value of the timber being exported and there was major over-harvesting. With the move to a GDP economy designed to gain access to EU and US markets, the government will have a much stronger say in how it governs log exports.

Deforestation in Myanmar historically has been concentrated in the heavily populated central dry zone, mainly in Ayeyarwady, Mandalay and Sagaing Divisions. The highest deforestation rates have been recorded in the mangrove forests of the Ayeyarwady Delta, where fuelwood extraction (for the Yangon metropolitan area) and agricultural expansion have been identified as the main drivers of forest loss.

Generally speaking, the principal driver of forest loss in Myanmar is large-scale conversion for agriculture or aquaculture. The forests that are converted often have

been degraded by fuelwood collection or logging. Other drivers of forest loss include shifting cultivation, conversion to commercial rubber or oil palm plantations, and mining. Oil palm is reportedly driving rapid deforestation in lowland forests in Tanintharyi Division.

It is too early to tell whether rates of deforestation have increased since the country's opening in 2012. However, increasing exposure to global commodity markets, coupled with rapid foreign direct investment inflows and a weak governance environment, can lead to direct deforestation for large-scale commodity cropping; and indirect deforestation due to clearance for new land by displaced farmers. Similar patterns of forest loss have been observed in other countries in the region.

Over the past few years, the government has been reducing the annual logging quotas for teak and other hardwood timber species in an attempt to control over-harvesting. The harvest plan for the 2014–15 fiscal year has recently been announced and shows a 60 per cent reduction for teak and 50 per cent for other hardwoods, compared to 2012–2013. Actual export shipments, however, are well above these figures. Over 400,000 cubic metres of teak was shipped in 2013–14, so the effectiveness of reducing quotas, as with the introduction of the ban, requires transparency, accountability and monitoring.

WWF stresses that the log export ban must form part of an integrated strategy to address forest conservation and development. Trade measures alone will not lead to sustainable forest management and forest-based industrial development. Equal attention must be given to legal and governance reform, institutional capacity building, management standards and systems, tenure and property rights, coordination of land-use planning and policy.

For more information, contact:

Matthew Markopoulos, Regional Forest Coordinator, WWF-Greater Mekong,
matthew.markopoulos@wwf.panda.org

Paper path to sustainability and social responsibility unveiled

More than 100 civil society groups including WWF are promoting a Global Paper Vision that addresses climate change, human rights and new expectations for corporate transparency.

The vision is the product of more than a year's consultations under the umbrella of the Environmental Paper Network. A key launch activity for the vision is a global conversation about how paper can present powerful opportunities to protect our air, water, forests climate, and communities, under the twitter hashtag #whatsinyourpaper.

“Paper is such an everyday product that it offers numerous pathways into promoting a fairer, more sustainable use of natural resources in practical ways,” says Emmanuelle Neyroumande, Pulp and Paper Global Manager at WWF International. “The Global Paper Vision sets out aspirations that can – and should be - picked up by policy makers, producers and paper users.”

Major elements of the Vision include reducing global paper consumption and promoting fair access to paper, maximising the content of recycled fibres, responsible sourcing of fibre, clean production and reduced greenhouse gas emissions along with a suite of measures to enhance the transparency and social responsibility of paper production and consumption.

WWF supports this vision and offers practical solutions for companies and individuals who are looking for responsible ways of sourcing paper. WWF paper tools, Check Your Paper and the Environmental Paper Company Index improve transparency of the paper sector by telling the ecological footprint of paper making. Also, WWF works together with the paper industry towards greener business practices through initiatives such as GFTN, and the New Generations Plantations platform and the partnership with Mondi.

For more information, contact:

Emmanuelle Neyroumande, Pulp and Paper Global Manager, WWF International,
eneyroumande@wwfint.org

Building REDD+ for People and Nature

REDD+ – reducing emissions from deforestation and forest degradation in developing countries, conserving and sustainably managing forests, and enhancing forest carbon stocks – is one tool to conserve forests and to ensure the long-term livelihood of people and the planet.

REDD+ can not only benefit the climate, but also biodiversity and local livelihoods – and in ways above and beyond other traditional forest conservation initiatives. REDD+ does this by creating incentives for developing tropical forest countries to reduce emissions from deforestation and forest degradation. But it can only work if it benefits nature and people – if it preserves forests while protecting the rights and livelihoods of the communities that live in and depend on them.

Three years ago, with funding from the government of Norway, WWF began a programme to support and leverage the potential conservation and livelihood opportunities of REDD+. This work sought to develop REDD+ models that secure scalable forest ecosystem management while engaging those communities that live in and depend on forests in ways that improve their livelihoods. The work was carried out across three key tropical forest landscapes encompassing nearly 15.5 million hectares: the Mai-Ndombe region of the Democratic Republic of Congo (DRC), the Kutai Barat District of East Kalimantan Province in Indonesia and the Madre de Dios region of Peru.

WWF's report Building REDD+ for People and Nature: from lessons learned across Indonesia, Peru and the Democratic Republic of Congo to a new vision for REDD+ shares the impacts, challenges, lessons learned and trends that emerged from this work, and reflects on these to inform a new vision for REDD+. The report explores the development of community conservation areas and community-based forest management in the remote villages of Indonesia's Kutai Barat district.

Download the full report here: http://awsassets.panda.org/downloads/ip_indo_comm_forests_eng_final.pdf

For more information, contact forestclimate@wwf.panda.org

GFTN AT A GLANCE

North America

- Participants: 10
- RWE: 176,844,078 m³

Europe

- Participants: 61
- Ha: 27,694
- FSC Ha: 15,841
- RWE: 87,689,911 m³

Russia

- Participants: 22
- Ha: 17,827,042
- FSC Ha: 14,627,708
- RWE: 49,006,900 m³

Latin America & Caribbean

- Participants: 20
- Ha: 1,427,078
- FSC Ha: 1,331,840
- RWE: 685,664 m³

Africa

- Participants: 4
- Ha: 1,144,429
- FSC Ha: 1,013,609
- RWE: 112,000 m³

Asia Pacific

- Participants: 76
- Ha: 3,777,607
- FSC Ha: 2,437,689
- RWE: 7,143,361 m³

Oceania

- Participants: 3
- RWE: 2,895,631 m³

GFTN TOOLBOX

Legality Training Seminars Modules

WWF GFTN/TRAFFIC

The modules from the GFTN/TRAFFIC training seminars feature proven tools and approaches to help companies verify the legality of their timber supplies, meet the requirements of importers seeking verified legal timber and progress toward credibly certified, sustainable forest management practices. The modules are also available in Mandarin Chinese, Bahasa Indonesia, Vietnamese and Russian.

http://gftn.panda.org/traffic/legality_training_seminars_2013/

Creating Community Forests in Indonesia

WWF Forest and Climate Programme

This REDD+ Inspiring Practice explores the development of community conservation areas and community-based forest management in the remote villages of Indonesia's Kutai Barat district.

http://awsassets.panda.org/downloads/ip_indo_comm_forests_eng_final.pdf

Exporting in a Shifting Legal Landscape

WWF GFTN/TRAFFIC

This guide is designed to allow companies to assess their own performance and offers advice on how they can meet the needs of their customers in the US, EU and Australia. It is also of benefit to forest service, customs officers and other governmental officials who serve as enforcement officers.

<http://gftn.panda.org/resources/tools/?193890/Exporting-in-a-Shifting-Legal-Landscape>

Framework for Assessing Legality of Forestry Operations, Timber Processing and Trade

WWF GFTN/TRAFFIC

The Framework is a guiding document that enables governments and companies to access and understand relevant aspects of the laws, regulations, administrative circulars and contractual obligations that affect forestry operations, timber processing and trade.

<http://gftn.panda.org/resources/tools/?202483/Framework-for-Assessing-Legality-of-Forestry-Operations-Timber-Processing-and-Trade>

Guide to Legal and Responsible Sourcing

WWF GFTN

This guide lays out a generic approach for the development and implementation of a responsible purchasing policy.

<http://sourcing.gftn.panda.org/>

Lacey Act Online Course

WWF GFTN

This online training module aims to ensure that the details of the Lacey Act amendment are broadly understood and to help companies understand what is required in order to ensure compliance.

http://gftn.panda.org/resources/gftn_online_courses/

EU Timber Regulation Briefing

WWF GFTN

This briefing note explains the various components of the EU Timber Regulation, who is affected, how they are affected and guidance on how compliance might be achieved.

http://awsassets.panda.org/downloads/final_eutr_gftn_briefing.pdf

Living Forests Report

WWF

The Living Forests Report is part of an ongoing conversation with partners, policymakers, and business about how to protect, conserve, sustainably use, and govern the world's forests in the 21st century.

http://wwf.panda.org/what_we_do/how_we_work/conservation/forests/publications/living_forests_report/

GFTN GLOBAL STATS

24 MILLION

GFTN participants manage over 24 million hectares of forests

196

GFTN encompasses nearly 200 global companies, employing over 1.7 million people worldwide



324.4 MILLION M³

GFTN participants trade nearly 325 million m³ of timber and fibre

19.5 MILLION

GFTN participants manage 19.5 million hectares of FSC certified forests, representing 10.5 per cent of the global total of FSC certified forests

\$470 BILLION

GFTN participants have combined annual sales of over US \$470 billion, with sales of forest products totaling nearly US \$64 billion per annum

GFTN Contacts

Hisayo Fujikawa Harlan

Operations Director
hisayo.fujikawa@wwfus.org
+1 202 495 4340

Huma Khan

Communications Manager
huma.khan@wwfus.org
+1 202 495 4686

Gijs Breukink

Responsible Forestry Coordinator
gbreukink@wwf.panda.org
+31 6 52 04 6981

Angel Llaveró

Responsible Purchasing Coordinator
allavero@wwf.panda.org
+ 34 600259156

Karen Mo

Research & Development Specialist
Karen.Mo@wwfus.org
+1 202 495 4154

List of regional contacts is available at gftn.panda.org/about_gftn/contacts/



Why we are here

To stop the degradation of the planet's natural environment and to build a future in which humans live in harmony with nature.

gftn.panda.org