

Welcome to the 18th Edition of the TTAP Newsletter!

The TTAP team sends you best wishes for 2011!

Whether you are a Timber Trade Federation member, TTAP partner or interested stakeholder, we hope TTAP News will be a useful resource for you. Please feel free to share this newsletter with your colleagues.
The TTAP team

TTAP is an EC funded project, managed by The Forest Trust (TFT) and co-funded by European Timber Trade Federations and their members.

The project aims to assist wood suppliers in TTAP focus countries produce third party legally verified timber. We currently advise and provide technical support to timber companies based in Asia, Africa, and South America.

We are also engaged in FLEGT discussions in Europe and TTAP focus countries.

International Timber Trade Federation Day a success

ITTFD 2010 was a great success with 24 timber trade associations representing 35 different countries and 10 global forest companies coming together to discuss the new ITR (Illegal Timber Regulation). Talks focused on how suppliers and buyers will practically comply with new regulations and on the opportunities to promote the use of legal timber in response to the increasing number of green building initiatives. You can find the presentations, participation list and minutes here <http://www.tft-forests.org/ttap/page.asp?p=6232>.

The third **International Timber Trade Federation Day (ITTFD)** organised on the 6-8 October 2010 entitled **Maintaining the Momentum - Marketing legal and sustainable timber** brought together participants from around the world to discuss how to prevent deforestation by promoting legal and sustainable timber. Download the press release here http://www.tft-forests.org/downloads/Oct_10_ITTFD_2010_Press_release.pdf

Twenty-four timber trade associations representing 35 different countries and 10 global forest companies attended the International Timber Trade Federation Day in Geneva to discuss how to increase demand for legal and sustainable timber to prevent illegal logging and forests being converted into agricultural land.



The event was organised by The Forest Trust and financed by the Timber Trade Action Plan Project, The European Forest Institute and UK Aid from the Department of International Development.

Find all presentations given at the conference at the ITTFD webpage: <http://www.tft-forests.org/ttap/page.asp?p=6232>

Partner TTFs

Consumers	Producers
> UK TFF	> MTC
> FBCIB	> IFIA
> VVNH	> CNFA
> LCB	> CTWPA
> AIMMP	
> ETTF	
> FEBO	

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Illegal Timber Regulation: TTAP- helping manage your risk in line with ITR

To address the issue of illegal timber entering the European Union, the European Parliament adopted a new regulation on 11 October 2010.

This regulation, known as the **Illegal Timber Regulation (ITR)** sets out the obligations of operators who place timber and timber products on the market and will be enforced from March 2013.

There are two core elements of the ITR: firstly prohibition, which deems it illegal to place any illegally procured timber products on the market, and secondly an obligation for first placers to implement a Due Diligence System (DDS) to show that the risk of illegal timber within their supply chains is being managed.

With a little over two years to demonstrate that the timber being traded is legal, first placers are now under pressure to implement a DDS and ensure that the systems are being applied correctly, whether their own or that of a Monitoring Organisation. For those importing

timber from the tropics, or from processing countries purchasing logs from the tropics, the risks are inherently higher due to an increased complexity of supply chains.

Whilst several options in the market exist to help demonstrate the legality of timber, the approach that TFT implements through the TTAP project reduces the risk of illegal timber in supply chains by actively working in each processing stage from forest through processing to export. In this way European buyers engaged in TTAP can demonstrate that they are taking measures to manage and mitigate their risk from high risk countries and additionally provide legality statements at the end of the process following a third party legality verification audit.

For the text of the Regulation see: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32010R0995:EN:NOT>

For further details, visit: http://ec.europa.eu/environment/forests/illegal_logging.htm.

Golf Madeiras timber products legally verified through TTAP

In December, Golf Madeiras, a sawn timber processor in Para State, became the first Brazilian company to achieve SCS LegalHarvest Verification.

Following the implementation of the TTAP action plan in Golf's sawmill throughout 2010, the facility was audited by SCS/Sysflor in November 2010 and the verification statement for LegalHarvest Verification (LHV) was awarded on December 29th.



SCS/Sysflor verified that the raw material originated from a legal source, a forest which was assisted by TTAP towards the achievement of SmartWood's VLO standard earlier in 2010, and that demonstrated a transparent Chain of Custody system throughout the entire supply chain.

TFT facilitated and supported Golf through the TTAP project and is delighted to report Golf's achievement.

See the certificate here: http://www.scs-certified.com/nrc/legal_harvest_verified_clients.php

SCS formally recognises SmartWood's VLO and VLC standards.

In addition to the successful audit of Golf Madeiras, a milestone was also reached between certification bodies involved in legality verification. In December 2010, SCS conducted a review of

SmartWood's Generic Standards for Verification of Legal Origin (VLO) and Legal Compliance (VLC), and based on this review, formally recognised SmartWood's legality standards.

This is the first instance where harmonisation between legality standards has been accomplished and was field tested in the Golf supply chain. Logs originating from a SmartWood VLO forest will be accepted as legal raw material flowing through the SCS verified sawmill and will carry the LHV product claim.

TFT welcomes this harmonisation between SCS and SmartWood, which will facilitate the trade in legal timber and simplify linking timber processors and forests legally verified under different legality standards.

Find the SCS press release here [PDF] http://www.tft-forests.org/downloads/Jan_11_SCS_Recognition_of_SW_VLO-VLC.pdf

Indonesia news: SVLK implemented in Indonesia



Indonesia is starting to implement the **SVLK system** (Timber Legality Assurance System) that will also be used under the future VPA process (to be provisionally signed this spring/summer).

The SVLK system is mandatory, and all Indonesian companies must comply

with the legality components, whether to achieve the sustainable forest management standard ("PHPL"), or the first step of legality verification (LV).

Two companies PT. Wapoga Mutiara Timber in the Papua Province and PT. Kharisma Jaya Gemilang in the Jateng Province that achieved SmartWood VLO through TTAP, now also comply with the

LK standard within the first round of implementation of the SVLK system.

These companies can now be considered as producing legal products according to Indonesian national law and of respecting the new standard. Whilst these companies worked with TTAP towards VLO in response to market demand, they are simultaneously complying with the Indonesian national standard.

Legality awareness increasing in China: The ITR and China

The European Union's recently adopted Illegal Timber Regulation (ITR) is set to influence the timber operations and processing facilities of many producer and transformation countries.

Besides Europe and the United States, other consuming nations are starting to adopt and implement regulations and laws to prohibit the import and trade in illegal timber, indicating a definite trend towards legislating the timber sector.

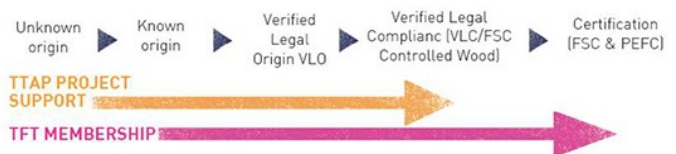
As the world's largest importer, processor and exporter of timber products, China's timber processing companies are starting to acknowledge and understand the new requirements of buyers and consumers in the EU and US for legal and sustainable timber products. Chinese timber exports grew in 2010 and are set to increase further in 2011. In order for the growth to high value export markets of the EU and US to continue, these timber processing companies must start to demonstrate that measures are being taken to manage and mitigate the risk of illegal timber in their supply chains.

Various organisations, Timber Trade Federations and NGOs have arranged events and workshops to increase awareness in Chinese exporters and provide assistance of how to comply with changing market requirements. These events included IUCN's "Trade of legal and sustainable wood in China, the 5th roundtable of China and the global forest products trade" in Beijing in February 2010, SmartWood and TFT's "Wood Legality Assurance, Verification and CoC Systems Workshop" in Nanjing in June 2010, and TNC RAFT held the "3rd Sustainable Forests & Markets Development Conference" in Beijing in September 2010, to name only a few. To further raise awareness and address this issue domestically, the State Forestry Administration (SFA) has issued Guidelines on Accelerating Forest Certification Work in order to promote their own national scheme; the Certification and Accreditation Administration of the People's Republic of China (CNAS).

Despite increasing appreciation by Chinese TTFs and their members of the importance of

the new legal conditions, uncertainties still exist regarding the details of practically implementing the systems at the operational level to comply with these new regulations. However, with TFT's presence in China, support is available to assist companies put in place robust tailored measures to ensure they are ideally positioned to meet the demands of their buyers.

Find out how working with TTAP and TFT can help you towards legality verification and certification [PDF] http://www.tft-forests.org/downloads/TFT-TTAP_leaflet_EN.pdf



Democratic Republic of Congo news

The assessment of the company TRANS-M by the TTAP project in DRC

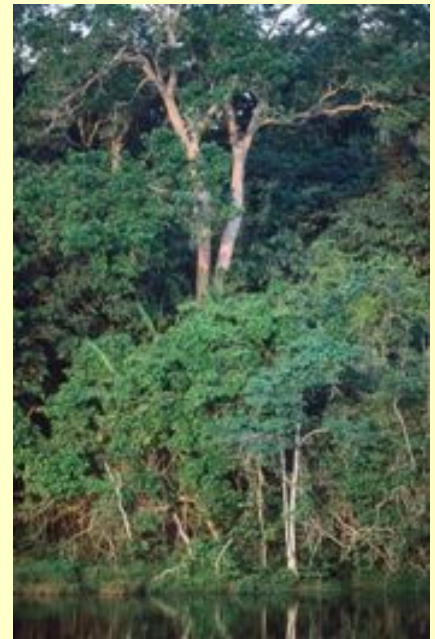
The assessment of the Trans-M company is the first direct support from the Timber Trade Action Plan (TTAP) project in the Democratic Republic of Congo (DRC).

The TFT team in Africa visited the different sites of Trans-M from 15 October to 9 November 2010. These visits were prepared with meetings in May and June between TFT and Trans-M directors in Kinshasa. The aims of these visits were to explain the TTAP project functioning to the secretary general of the Group Congo Futur, parent company of Trans-M and to present the different certificates de legality available to work towards.

Trans-M owns three forest concessions in DRC covering 746 000 hectares in total and their activities also cover the timber harvesting, transformation, export and transport. The company also owns a modern sawmill in Kinkole some 40 km from Kinshasa.

Congo Futur is a family company, with Lebanese capitals, the Group owns 7 subsidiaries in DRC, and is active in the following fields: import of fresh goods, other manufactured products, biscuit production and the fabrication of plastic objects, building trade and naval construction (barges and boats), goods transport, as well as the timber harvesting, transformation, export and transport.

Trans-M engaged in the legality verification process with the support of English timber buyer, NHG.



Malaysia news

TTAP work in Malaysia is progressing strongly, with 6 new companies recently engaged in the project.

TTAP was also promoted as a tool to help companies in meeting Timber Legality Verification during the "Dialogue on Requirement for Timber Legality Verification in the Global Market", an event held within the MTC Global WoodMart on October 18, 2010. The dialogue brought together timber trade associations from EU buyer countries to interact with industry members from supplying countries in the South East Asia region to discuss the changing ways in timber business and how to approach the situation in the market.

The MTC Global Woodmart trade show provided a "One-Stop Selling and Buying" platform in the South East Asian region for international suppliers and buyers of wood and wood products to meet and conduct business. The trade show also provided a section on "Innovative Products" where new and innovative products from Malaysia such as palm plywood and others were promoted.



Photo from <http://www.globalwoodmart.my/>

See http://www.mtc.com.my/issues/index.php?option=com_content&view=article&id=903:dialogue-on-requirement-for-timber-legality-verification-in-the-global-market-18-october-2010&catid=1:latest-news

First PEFC certified timber consignment arrives in Belgium

One of the first PEFC-certified sawn timber consignments from Malaysia has arrived at the port of Antwerp in Belgium. The shipment of 12 tons of Dark Red Meranti (DRM) was exported by the PEFC chain of custody certified company, Low Fatt Wood Industries Sdn. Bhd. to Denderwood West Flanders, one of the major importers of Malaysian timber products in Belgium.

Since the endorsement of the Malaysian Timber Certification Scheme (MTCS) by the PEFC Council, eight Forest Management Units (FMUs) representing 4.2 million hectares of Permanent Reserved Forests in Malaysia have been awarded the PEFC Certificate for Management, while 146 timber companies have been awarded the PEFC Certificate for Chain of Custody. 40 of these companies have signed the PEFC Logo Usage Licence Agreement with MTCC which allows them to use the PEFC Logo on their MTCS-certified timber products.

To read the complete text visit: <http://www.mtcc.com.my/>

TPAC changes its final judgement on MTCS

The Dutch Timber Procurement Assessment Committee (TPAC) changed its final judgement on the Malaysian Timber Certification Scheme (MTCS) based on the objection lodged by several NGOs.

After 18 months of assessment, TPAC concluded that MTCS does conform to the Dutch procurement criteria. However, several NGOs then lodged an objection that led TPAC to alter its earlier positive Judgement of conformity, concluding that MTCS does not comply with the requirements of the Dutch procurement criteria. In contrast, the Danish, British, German and French governments and the German municipality of Hamburg do recognise the MTCS as providing assurance of sustainable timber.

The copy of the press release can be obtained from this link: [http://www.mtcc.com.my/Press Releases/Press Release - TPAC Final Judgement.pdf](http://www.mtcc.com.my/Press_Releases/Press_Release_-_TPAC_Final_Judgement.pdf)

To read the complete text, visit: <http://www.mtcc.com.my/>

TTAP Progress Update

TTAP 1 & 2 Progress Table - until end of December 2010

Region	Country	N of GA's done	N of AP's implemented	N° of nodes TPV	No of completed SC's	TTAP Supply Chain Target
Asia	China	22	6	4	2	20
	Indonesia	31	23	12	10	20
	Malaysia	29	16	16	8	
Total Asia		82	45	32	20	40
Africa	Cameroon	31	12	10	15	15
	Congo B	6	2	2	1	
	Gabon	14	4	0	0	
	DRC	3	0	0	0	
Total Africa		54	18	12	16	15
South America	Bolivia	0	0	0	0	15
	Brazil	29	17	4	2	
	Guyana	5	3	0	0	
	Suriname	0	0	0	0	
Total South America		34	20	4	2	15
TTAP Total		166	83	48	38	70

GA= gap assessment
 AP= action plan
 TPV= third party verified
 SC= supply chain

ETTF sections Plywood and Hardwood meet in Brussels and Oslo

The Plywood section of the European Timber Trade Federation presided by Raoul Dedonder held its autumn meeting in Brussels.

The main topics of the meeting were the general sales conditions for plywood.

The main topics of the meeting were the general sales conditions for plywood that focussed on ETTF members' aim to exclude illegally imported plywood. In addition other factors, such as the correct use of CE-marking, crate marking and glues were also addressed.

Invited by the Norwegian Importers Federation, the Hardwood section of the ETTF also met in Oslo.

The meeting discussed the consequences of the coming Illegal Timber Regulation. The concept proposed by the secretary general was a responsible purchasing policy to be used by the members of the Federation. The possibility of the ETTF applying as a monitoring organisation under the ITR was also discussed.

Market discussions showed that apart from the Norwegians, all the member federations are suffering from the economic and financial crisis that seems to have hit the building sector harder than most.

The meeting chose Andreas von Möller as their next chairman succeeding Armand Stockmans. Mr Stockmans remains member of the ETTF board and chairman of the Hardwood section.

Visit www.tft-forests.org/ttap



Guyana news

Guyana is considering negotiations on a VPA with the EU and a workshop was held at the Guyana International Centre to address the EU Forest Law Enforcement, Governance and Trade initiative (EU-FLEGT). The workshop was a follow-up to the meeting between the European Union, the Government of Guyana, Amerindian leaders of the National Tshaos Council and several other stakeholders earlier this year on the EU-FLEGT Voluntary Partnership Agreement (VPA) between the EU and Guyana.

TFT under the TTAP project has started working in Guyana; we're implementing action plans in two supply chains and developed gap assessments in two companies and one forest.

This has provided a greater awareness of companies on the issue of legality verification and TFT aims to engage more supply chains to support third party verification through the TTAP project.

Events

Ninth Session of the United Nations Forum on Forests

(UNFF9) - International Year of Forests (IYF 2011)

24 January-04 February, 2011 in New York.

Find out more: <http://www.un.org/esa/forests/session.html>

Illegal Logging Update and Stakeholder Consultation at Chatham House

Number 17

27-28 January 2011 in London.

Find out more: http://www.illegal-logging.info/item_single.php?it_id=206&it=event

For more events: see <http://www.illegal-logging.info/>



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