



NEWSLETTER

WELCOME TO THE TFT NEWSLETTER!

ISSUE 10 ~ MAY 2011

CONTENT

COMMUNITY FSC
FSC TO CIB
GAR TFT MEMBER
NESTLE UPDATE
TFT SUPPORTS VPA
INDIA PROJECT
BRAZIL NEW MEMBER
LIBERIA VPA
BTE-TFT MERGER
QUARRY WORKING GROUP

VISIT OUR WEBSITE

www.tft-forests.org

Find us on FACEBOOK:

www.facebook.com/pages/The-Forest-Trust/154586823573

Follow us on TWITTER:

www.twitter.com/#!/TheForestTrust

TFT MEMBER UPDATES

Download updated leaflets on the Lacey Act and the EU Timber Regulation here:

www.tft-forests.org/publications/technical-resources.asp

TFT has 87 Members, see the complete list here: www.tft-forests.org/members/

ALSO ON THE WEBSITE

Download past issues of the newsletter here: www.tft-forests.org/news/newsletters.asp

Find out the location of our projects, Members and offices here: www.tft-forests.org/about/world_map.asp

OTHER NEWSLETTERS

TFT also publishes a newsletter specific for the Timber Trade Action Plan (TTAP) as well as news on social issues.

Sign up here: www.tft-forests.org/stay-informed/

FSC CERTIFICATION AWARDED TO TFT LAOS COMMUNITY PROJECT

Luang Prabang Teak Programme awarded FSC certification

Luang Prabang Teak Programme achieves the first Forest Stewardship Council community certificate in Laos.

The TFT supported Kok Gniew village, Luang Prabang, Lao PDR recently achieved FSC certification. This is the first community forest certification in Laos under the FSC scheme and marks an important milestone in the development of community forestry in Laos.

From humble beginnings the LPTP has grown to encompass 48 farmers with a total land area of 225 hectares. This landmark achievement is the first stage of an ambitious programme to develop a viable, economically sustainable, planted teak industry in Laos that improves local livelihoods and the local environment.

The Luang Prabang Teak Programme (LPTP) is a partnership between Ban Kok Gniew, the Luang Prabang Provincial Forestry Section, the Government of Lao and TFT since 2007. During this time the LPTP has received core support from the USAID supported Responsible Asia Forestry and Trade (RAFT) Program, Foundation Ensemble, JICA and contributions from TFT's supporting Members.

Teak is an important part of local livelihoods but in the past a number of factors significantly diminished the returns for farmers. Issues included unclear land rights for teak farmers, a lack of knowledge in basic silviculture and sustainable forest management techniques and a reliance on road side traders who often purchased the teak well below accepted market rates. This dynamic is now changing.

The pilot has provided training in a number of areas including teak pruning, thinning, harvesting and tree and log volume measurement. These new skills have enabled



farmers to negotiate sales in terms of cubic metres of wood and to meet international market requirements, including environmental and

social standards.

The significance of this achievement resonates from the ground up with local farmers already seeing a marked improvement in income. A report by one of our partners noted that whereas in the past farmers might have received only 30,000 Kip (US\$4) for selling a standing tree of 60cm diameter, now they could harvest the tree themselves and sell it for 120,000-130,000 Kip (US\$13-15). Tangible results such as this form the basis for encouraging other small holders to adopt the same practices.

This important first step in advancing sustainable teak forestry in Kok Gniew Village has a wider significance for the province as a whole. Luang Prabang has an estimated 30,000 hectares of planted teak in lots much like those in Kok Gniew with similar small holder farmers. This FSC certificate demonstrates that the approach to develop sustainable small holder forestry is a truly successful, workable and replicable solution for Luang Prabang province and for the country as a whole.

CIB NOW FULLY FSC CERTIFIED



With help from TFT, timber operations in Congo Basin surpass 5 million hectares

TFT announced today that an additional 571,000 hectares of rainforest concessions managed by Congolaise Industrielle des Bois (CIB), one of Africa's largest timber companies, have been newly-certified under environmental and humanitarian good-stewardship rules.

With help of global non-profit TFT, timber operations in Congo Basin surpass 5 million hectares of tropical forest certified as sustainable. Yet scant support from EU, US, China for “green behaviours” threatens progress, as vast new tracts of African rainforest come under stewardship programme

GENEVA (10 March 2011)-The nonprofit Forest Trust (TFT) announced today that an additional 571,000 hectares of rainforest concessions managed by Congolaise Industrielle des Bois (CIB), one of Africa’s largest timber companies, have been newly-certified under environmental and humanitarian good-stewardship rules, bringing to more than 5.3 million hectares of Congolese Basin rainforests now managed with sustainable practices.

The announcement marks a landmark in TFT’s efforts to help industry protect the fragile environment of the world’s second largest tropical forest, as well as the lives and livelihoods of local and indigenous communities, including semi-nomadic Pygmy people living within CIB’s forest area. With the certification of the Loundoungou and Toukoulaka concessions, CIB’s management of all its forest tracts in the Republic of Congo has been recognized by the independent Forest Stewardship Council (FSC).

But lack of demand for sustainably-produced-and consequently higher-priced-wood and wood products could undercut industry’s striking response to pressure from advocates and consumers in Europe and the United States, according to the Geneva-based charity’s executive director, Scott Poynton.

“Whilst CIB and other Congo Basin forest companies have made dramatic progress in adopting sustainable timber practices, those advocating for protecting the forests are now missing in action, » Poynton said. «The customers aren’t coming and the NGOs aren’t pushing the market to buy this certified wood. And without economic returns, the companies can’t maintain these practices.»

Poynton and TFT’s industry partners warn that companies trying to do the right thing are under growing competitive pressure, as high-volume buyers of wood continue to purchase from companies that are flouting sustainable practices, a claim supported by a recent study by the World Wildlife Fund (<http://www.illegal-logging.info/uploads/whatwoodyouchoosefeb11.pdf>). The authors note that the trend continues despite the recent passage of the EU Illegal Timber Regulation, which requires all retailers to be able to trace the wood in their products back to a legal source.

“Today’s announcement is of great significance, but unfortunately the much-needed level playing field is still missing. This isn’t good for the forest, and isn’t good for people, biodiversity or climate change,” said CIB’s Robert Hunink. “Nonetheless, management and staff of CIB are committed to the FSC process. It is hoped that buyers will start rewarding those companies that have answered the call to certify their timber operations; in addition, the company intends to look at the carbon opportunities.”

Search for a solution

The Congo Basin is a 700,000-square-mile tropical forest that extends across six countries. In it live 400 mammal species, including gorillas, chimpanzees and bonobos, as well as 1,300 types of birds, 400 reptile species and more than 20,000 different species of plant. The region loses about four million hectares of tropical rainforest each year due to illegal logging, mining, agricultural conversion and mismanagement.

The collaboration between TFT and CIB began in 2004, when the company asked the charity to assess its operations and recommend ways it might obtain certification through the independent Forest Stewardship Council (FSC).

“CIB made a decision to work with TFT, and that in turn put pressure on other Congo Basin timber interests to obtain for their wood the same seal of sustainability,” Poynton said. “The FSC has now certified 1.3 million hectares of land in CIB’s concessions, and 4 million hectares more in other companies’ operations.”

Among the most innovative steps taken by CIB with TFT’s assistance has been to build a relationship with the semi-nomadic indigenous Pygmy communities living in the Congo rainforest. The relationship has enabled the forest people to take part in decisions about their lands and resources as they work closely with timber companies.

Pygmy communities use radio, GPS to exert control

Historically, the indigenous forest people of the Congo Basin have lacked legal status and official recognition of their rights to forest land and resources. Outsiders who exploited their timber and animals excluded them from the management of their forests. TFT and CIB established the first indigenous Pygmy language community radio station in the Congo Basin. Biso na Biso (“Between Us,” in the local language) went on air in 2007 and enables the semi-nomadic Pygmy communities to share news across the vast areas they inhabit and to hear information about their rights under

the FSC system.

“Companies that wanted to engage in sustainable logging operations lacked knowledge of how to engage in a fair way with a largely non-literate, semi-nomadic people,” Poynton said. “We brought in scholars with skills, knowledge and relationships with the Pygmy communities to help build these relationships.”

Another of the innovative techniques developed in the partnership between TFT and CIB is participatory mapping. Using handheld Global Positioning System (GPS) devices designed for non-literate people, the Pygmies living within CIB’s forest concessions walk through the forests they use, marking out areas or even particular trees that are important to protect. These might be medicinal or food plants, or areas that are sacred to the Pygmies. They are immediately marked on GPS maps, giving the company information it needs to avoid disrupting the Pygmies’ way of life.

“The collaboration shows how consumer preference for sustainably produced products can be translated into changes on the ground in the world’s tropical forests,” Poynton said. “This requires a delicate balance between economic use of the resources along with respect for the trees, the land and its people. But to continue to protect these forests we need buyers in Europe, China and the U.S. to step up and to demand FSC-certified Congo basin wood in their products.”



PALM OIL: GAR JOINS TFT

Major Global Palm Oil Supplier GAR Agrees to New Standards for Conserving Forests and Reducing Emissions in Indonesia

The world’s second largest palm oil company Golden-Agri Resources Limited (GAR) agreed today to a new standard to conserve vulnerable carbon-rich forests and peatlands in Indonesia through an agreement with The Forest Trust (TFT). TFT, a Geneva-based global non-profit that helps businesses produce responsible products, will partner with Golden Agri-Resources Limited (GAR) to help the palm-oil company save vulnerable forests while remaining profitable.

With annual revenues of US\$2.3 billion, GAR is the largest palm oil producer in Indonesia, the world’s leading palm

oil-producing country. The partnership establishes a Forest Conservation Policy and a set of measures to ensure that GAR's plantations are not developed at the expense of carbon rich forests, or on peatlands—major carbon storage sites. TFT's involvement will also prevent the plantations from contributing to the destruction of forests that are particularly valuable in terms of environmental preservation, biodiversity, landscape, or importance to local livelihoods. "Today's agreement represents a revolutionary moment in the drive to conserve forests," said Scott Poynton, TFT's executive director. "It's about going to the root causes of deforestation; we have shown that the destruction of forests is anchored deeply in the supply chains of the products we consume in industrialized nations and we are showing we can do something about that."

Impact of Demand for Sustainable Sources of Palm Oil

The process leading to GAR's announcement began last year, after the Switzerland-based company Nestlé began working with TFT to adopt "responsible sourcing guidelines for its palm oil suppliers." The company sent a strong message that it would no longer accept materials that led to the destruction of valuable forests, Poynton said. This in turn helped draw GAR to the bargaining table, where it agreed to address problems in its operations, Poynton said. Greenpeace, which had led a campaign that highlighted the role of GAR and its Indonesian plantations in driving deforestation, has said it is cautiously supportive of this announcement and that in the coming months it will closely monitor GAR's progress in implementing its commitments.

"This shows that the private sector can quickly change its practices around forest destruction if the right factors are in place," Poynton said. "It's a simple yet effective way to conserve forests. This model need not be confined to palm oil; any product with a link to forest destruction can switch on this supply chain approach."

The agreement will go into effect as of today, and the actions outlined in it are expected to bring substantive change to Indonesian forests by the end of 2011, Poynton said.

"As a leading player in the palm oil industry, we are committed to playing our role in conserving Indonesia's forests and look forward to working with all stakeholders including the Government of Indonesia, other key players in the palm oil industry, NGOs and the local communities, to find the common ground

for sustainable palm oil production," said Franky Wijaya, Chairman and CEO of GAR. "Our partnership with TFT allows us to grow palm oil in ways that conserve forests and that also respond to Indonesia's development needs; creating much needed employment while building shareholder value."

Focus on Ensuring Implementation

Poynton said TFT would work closely with GAR and with other stakeholders, including Greenpeace, to ensure that the commitments made by the company will be implemented.

"We all know that this agreement counts for nothing if it's not now implemented," Poynton said. "The process has begun already with TFT experts visiting GAR plantations, and we have funding from the company and a clear action plan for making sure this agreement sticks. We have worked with other companies to clean up their supply chains successfully, and it is our intention to do so again. We are confident we will be able to overcome any concerns about whether this agreement will lead to substantive change."

Palm oil is an increasingly important ingredient of many consumer and commercial products such as cosmetics, biofuels, edible cooking oils, sweets, chocolates and many other foods. More than 40 million tons of palm oil worth \$20 billion is produced each year.

The growing production of palm oil brings environmental perils but also promise. A hectare of oil palm can yield six times more oil than a hectare of canola, making it far cheaper and more attractive to producers in countries like Indonesia, and an important resource for a growing world population. Oil palm plantations require fewer petrochemical inputs than other oil plants, and can be grown on land that is already environmentally degraded.

Since the early 1980s, however, the total area of land allocated for oil palm production has more than tripled globally, reaching nearly 14 million hectares in 2007. Most of this expansion has occurred in Indonesia.

Rainforests and peatlands across Southeast Asia are being torn up to provide land for oil palm plantations," said Poynton. "Without better stewardship, the phenomenal growth of the palm oil industry could spell disaster for local communities, biodiversity, and climate change as palm plantations encroach further and further into forested areas.

"The only way for us to find a sustainable, long-term solution to addressing this problem is to engage with oil palm industry, local communities, civil society

and the government of Indonesia," he said. "This agreement is a critical step in the right direction."

The palm oil industry is a major source of jobs and income for Indonesia. The agreement will identify and implement ways to increase the productivity of Indonesian oil palms in order to decrease the need to bring new land under cultivation.

If a strong agreement is implemented, Poynton said, it could play a critical role in assuring investors that Indonesia is on course to end the destruction of its natural forests and could help stimulate investment in Indonesia and help transform the world's third largest emitter into a global model for low-carbon economic development. In 2009, Indonesia's President Yudhoyono was one of the first leaders to commit a major developing country to national emission reductions from 26 percent (unilaterally) to 41 percent (with international support).

The agreement between Golden Agri-Resources Limited and TFT marks the start of a broader consultation process in Indonesia on land use change in relation to the palm oil industry. This process brings together government and industry officials, major palm oil customers, civil society groups and local and indigenous communities.

"No substantive land-use change can take place without the involvement of these key players," said Poynton.

NESTLÉ UPDATE

Progress has been strong on the ground since Nestlé announced a partnership with TFT one year ago.

Since then, we have been working on Nestlé's Palm Oil Responsible Sourcing Guidelines (RSGs), the mapping and then engagement of Nestlé's suppliers and on a definition of a High Carbon Stock forest (or HCS) in particular.

Find the latest progress reports and the background of the Nestlé programme [here](http://www.tft-forests.org/projects/project.asp?pr=40). <http://www.tft-forests.org/projects/project.asp?pr=40>





VPA SIGNED BETWEEN EU AND INDONESIA

Indonesia signs VPA with the EU in significant move to combat illegal timber

The VPA between Indonesia and the EU is a huge step forward in tackling the illegal timber market in Indonesia estimated to be worth \$1 billion

Indonesia has now entered a Voluntary Partnership Agreement with the EU as part of the EU FLEGT action plan. The agreement is the result of four years of negotiations between EU and Indonesian authorities.

TFT was closely involved and performed a critical role in the negotiation processes. In particular TFT provided support on the technical matters relating to compatibility between Indonesian timber legality assurance systems (namely SVLK) and the EU's expectations with both being core elements of the negotiation processes. There were contributions from many different stakeholders consisting of Government, businesses and civil society organizations including TFT. With our various expertise and experience in such processes TFT played a crucial mediation role between Indonesian government and EU representatives as well as guiding the content of the articles being negotiated to boost the spirit of promoting legal timber in the international timber market.

Andy Roby UK Co-Director and FLEGT VPA Facilitator acknowledged that "the negotiations would not have been successful without TFT's involvement".

Final negotiations for the VPA were concluded on Thursday, April 14 in Brussels, the agreement was formally signed in Jakarta on May 4, 2011.

VPA

Indonesia is aiming for good forest governance. One action among many is ensuring that only wood approved as legal will be exported to the EU and other markets. The Voluntary Partnership Agreement (VPA) is formalising and enabling that aim. The VPA is a key part in the EU's Forest Law Enforcement, Governance and Trade (FLEGT) action plan which aims to establish systems to stop the export of illegal timber products to the EU, while addressing forest governance issues in producer countries.

Indonesia is the first country in Asia to sign a VPA with the EU, four African countries have already signed: Cameroon, the Republic of Congo, the Central African Republic and Ghana.

Significance

The VPA is a step forward in tackling the illegal timber market in Indonesia estimated to be worth \$1 billion. Illegal logging has played a serious role in the destruction of forest, leading to their conversion into spreading agricultural plantations and a huge loss of government revenue. It is hugely significant in relation to the extraordinary importance of the Indonesian forests and biodiversity in the region and as such an important step in support of legal timber trade in the region.

While a useful tool, it is only one in the available at present in the fight to implement responsible forest management. It is important that consumers continue to support responsible products and reward producers that are respecting people and the environment, irrespective of the state of progress in international treaties which can take a long time to be put into action.

SHISHAM PROJECT LAUNCHED



New video on the TFT - Mdm Shisham project

Visit India, see the video presenting the TFT - Maisons du Monde Shisham project!

Find the link to the video at <http://tft-forests.org/news/item.asp?n=12398>

TFT and French retailer Maisons du Monde, a TFT Member, launch an agro-forestry project in India for sustainable shisham.

The project will enable the farmers to share skills and knowledge on best practices while also working towards achieving an internationally recognised management standard. The aim is to help these farmers market sustainable and certified Shisham wood resources to the international market, maximising financial, environmental and social benefits at the local level.

See the article on the launch [here](#), see the project profile in the Project Portfolio [here](#).

NEW MEMBER IN BRAZIL

Newest TFT member is our first supplier in Brazil



TFT are pleased to announce that forestry and processing company SEMASA in Brazil has joined TFT as a full Member. The company are looking to gain support and guidance on the journey towards sustainable timber supply chains and independent certification and TFT are stepping in to fill this role.

The Brazilian wood processing and forestry company is located in Belém, Pará, where it manages forest concessions totalling over 7000ha and two processing facilities with a potential annual capacity of 20,000 m3 of raw material. That's a forest area of over 9000 football pitches and enough raw material to make 80,000m2 of decking that will be produced legally and sustainably.

TFT welcome SEMASA as a full member having worked with them since 2008, assisting the company conform to legality requirements through the TTAP programme. Having made this commitment to full membership, work now continues towards achieving sustainable as well as legal supply chains and independent certification.

SEMASA is a respected company in north Brazil through operating transparently and responsibly and aiming to ensure that all products conform to legal and sustainable management standards. As well as harvesting best-known species such as Ipe and Massaranduba, the company aims to maintain a balance of tropical forest diversity by exploring a range of other species, including Cedro, Freijo, Tatajuba, Garapa, Itauba, Jarana, Curupixa, Angelim. For further details about SEMASA and the partnership with TFT visit the [company profile on our members page](#).



SEMASA and TFT staff in the SEMASA timber yard

Increasingly suppliers in Brazil realise the importance of certification for compliance with US and European market demands and regulations such as the Lacey Act and the EU Illegal Timber Regulation.

SEMASA's commitment to this process

sends a powerful message to the supplying industry that effective actions are taken towards product responsibility by companies all over the world including emerging markets. The decision of SEMASA is also an important step as it is a practical example of a solution to the problem of illegal logging in Brazil.

With TFT's support, we believe that SEMASA can contribute to significant changes in terms of wood responsibility which will inspire other companies.

We are thrilled to welcome them as Members!

LIBERIA SIGNS VPA: TFT FIELD TESTS LIBERIA'S VPA LEGALITY DEFINITION



Liberia signs EU legal timber export deal

Liberia has signed on 9 May a Voluntary Partnership Agreement (VPA) with the EU to guarantee the legality of its timber exports.

Liberia has now joined Ghana, Cameroon and the Democratic Republic of Congo in Africa and Indonesia who have signed similar deals ahead of the EU Timber Regulation banning the placing of illegal timber on the EU market.

In February 2011, TFT in conjunction with a team from Liberia had undertaken the field test of Liberia's official legality definition. The test follows on from the Government of Liberia and the European Union (EU) entering into formal VPA negotiations in 2009.

This field test, an integral part of the VPA negotiation process, aimed at determining the practicality and applicability of the

legality definition to be used in the VPA. Each indicator and verifier of the legality definition was tested on the ground and recommendations for a more robust or clearer definition were proposed wherever necessary.

This comprehensive legality definition includes timber production, the allocation of harvesting rights, sharing of benefits, and worker rights in particular. Compliance with this definition will be monitored by the new Legality Assurance System. It also includes a licensing scheme that will provide assurance of the legality of all Liberian timber exports.

The VPA reflects significant changes in the situation of Liberia as a whole and of the timber sector in particular. The industry had been troubled by illegal logging and corruption, as well as hindered by an export ban imposed by the UN to respond to fears former president Taylor was using the valuable resource to fund conflicts in the region. Although the ban was lifted in 2006, the industry has struggled to recover.

It is hoped the VPA will offer the legal resources needed to boost the economy and development of Liberia, while managing to protect the forests. Almost 45% of Liberia - about 4.3 million hectares - is still covered by tropical forest, representing over half of forest in West Africa.

BTE AND TFT OFFICIALLY MERGED



The merger has been officially approved by the TFT board and by the TFT Members.

Business Trading Ethically (BTE) was formed in 2004 as a UK charity working with businesses to improve social practises in global supply chains. BTE gained a lot of experience working particularly in China and India in factories as well as in quarries.

BTE includes a strong Quarry Working Group, which brings companies together to find ethical solutions to all social issues in the stone and quarry industry. This successful Group will soon be hosted by TFT.

The merger results from the belief that promoting high social and labour standards in the supply chain is not a separate issue from making commitments to environmental sustainability. Tackling both challenges together is a condition for securing truly transparent, reliable and responsible procurement sources.

This realisation is also reflected in the growing needs and demands from companies and customers to know that the production sites of their goods are absolutely responsible, specifically that they meet not only strict environmental rules, but also best social standards.

As a result, the merger with BTE will strengthen TFT's work delivering Responsible Products. It will allow companies to benefit from more comprehensive support for their business; from supply chain traceability, environmental management and now social and labour support.

TFT is now truly the "one stop shop" for Responsible Products support.

QUARRY WORKING GROUP

Previously part of the UK Charity BTE, the QWG is an industry forum of retailers, importers and distributors working with key stakeholders to look for pragmatic standards, working towards continuous gradual improvement and offering practical assistance and tools. Find out more about the QWG on the TFT website: <http://tft-forests.org/page.asp?p=7582>

