

WWF/SNV Global Partnership:

In countries where WWF International and SNV are both actively engaged with forest communities, the organisations have agreed to work together to promote **Forest Stewardship Council (FSC)** certification, with an emphasis on fair trade.

The partnership draws on the complementary strengths of the organisations:

- WWF: Environmental focus, upstream market links between national and international timber trade bodies
- SNV: Social focus, downstream links between local producers' groups and timber companies



Why FSC?

- A market-based, demand-driven mechanism providing economic incentives for forest product industries to adopt amangement practices.
- High global recognition and market penetration compared to other certification standards.

FSC in Vietnam

Over 100 Vietnam-based companies hold FSC Chain of Custody (CoC) certificates, allowing them to import, process and sell FSC-certified timber produced elsewhere. However, by 2007 only 1 company had obtained FSC certification for timber production in Vietnam. The great majority of FSC-certified products exported from Vietnam are, therefore, made from non-Vietnamese timber.

What is Group Certification?

FSC certification entails potentially high transaction costs. The applicant must pay for assessments by FSC-accredited certifying bodies and invest in the operational changes required to reach and maintain FSC standards. Only larger forestry companies, with high product turnovers, can cover such costs independently. Small forest owners are therefore excluded from this market, and the increased revenue that certified products can bring.

FSC recognised this issue and, in 1998, introduced Group Certification as a mechanism. This allows groups of forest owners to apply for certification under a joint management plan. Group members share the transaction costs and FSC compliance is assessed by sampling. An institution to represent all the forest owners, known as the '**Group Entity**', the nature of which is decided by group members, is the official holder of the certificate.

The WWF/SNV Regional Collaboration, along with domestic and international partners, aims to contribute to the following goals:

- Increase availability of domestic FSC-certified timber to Vietnam forest product industry
- Ensure smallholders have access to the market chain for FSC-certified timber in Vietnam

We will do this by:

- Supporting the **Vietnam Forest and Trade Network (VFTN)** to promote responsible purchasing and sustainable management in the domestic forestry industry.
- Developing and piloting practical models for FSC Group Certification in Vietnam, including institutional and technical support to smallholder associations and forest companies in formation of 'Group Entities'

Expected outputs:

1. Fully functional Group Entity recognised by VFTN which
 - a. Includes smallholder plantation owners as members in association with a privatised forestry company
 - b. Has concluded agreements with industry buyers for the sale of FSC Certified timber
 - c. Has a credible long-term management plan for production of FSC certifiable timber
2. Group Certification institutionalised within the Vietnam FSC standard
3. Preliminary report from accreditation body or FSC expert on the readiness of Group Entity for certification



Vietnam Forest and Trade Network (VFTN) is part of the Global Forest and Trade Network (GFTN); an alliance of private forest sector companies which, with the support of WWF, are committed to creating market conditions that help to conserve the world's valuable and threatened forests.

VFTN's mission is to redirect Vietnam's forest industry's dependence away from illegally-sourced and unsustainably-logged timber and towards sources that are proven legal and sustainable by:

- Working with major processors and traders of wood products who make a public, documented commitment to responsible forestry and credible forest certification;
- Facilitating market links between VFTN participants and suppliers or buyers committed to eliminating unwanted timber out of their supply chains;
- Providing information and technical support to members for a phased approach to forest and chain of custody certification.

VFTN was launched in November 2005 and recruited 6 members in the first 2 years, with a further 13 applicants awaiting full membership.