

IMPACT SHEET • SWITCH-ASIA PROJECT  
SUSTAINABLE WOOD PROCESSING AND TRADE  
**SUSTAINABLE TRADE PROMOTED TO  
WOOD PROCESSING SMES THROUGH  
FOREST AND TRADE NETWORKS  
IN CHINA, INDIA AND VIETNAM**



**DRIVING THE SHIFT TO SUSTAINABLE PRACTICES  
AMONGST TIMBER PRODUCERS IN HIGH-RISK MARKETS  
BY CONNECTING CERTIFIED PRODUCERS TO DOMESTIC  
AND INTERNATIONAL MARKETS**



## THE CHALLENGE

Due to unprecedented economic growth and development in India, China and Vietnam, increased demand for natural resources is placing pressure on forests. Small and medium sized enterprises (SMEs) often buy wood that has been produced unsustainably, possibly illegally, and so stimulating the demand for unsustainable and illegal wood. SME wood processors in the Vietnam, India and China may be aware of the need to manage resources more responsibly, but there is an almost universal lack of capacity to implement actions to address the problem. Internationally, there is high demand for sustainable wood products, but there are currently insufficient products to meet this demand, and inadequate mechanisms to link suppliers and buyers. To exacerbate this, unsustainable development and related forest degradation in Asia results in increased flooding, mudslides and wildfires as a result of forest loss.

## OBJECTIVE

The SWITCH-Asia *Sustainable and Responsible Trade Promoted to Wood Processing SMEs through Forest and Trade Networks in China, India and Vietnam* project seeks to engage at least 600 SME wood processors in the target countries to enable them to apply sustainable production techniques and to provide certified sustainable forest products to national and international markets. Expected results for the project in the three target countries are:

- 45 wood processing SMEs apply internationally accepted best practice which improves the environmental profile of their wood supply chain.
- 600 wood processing SMEs demonstrate positive behavioural change in adopting responsible practices for the purchase of forest products.
- Raised awareness amongst the wider wood processing industries of the long term market sustainability of their wood supply chain and the benefits of timber certification.

## ACTIVITIES / STRATEGY

The project worked with wood-processing SMEs to modify their business practices to seek forest goods from well managed forests, which are in turn being increasingly sought by their customers in both domestic and overseas markets.



### IMPROVING SUPPLY CHAIN ENGAGEMENT

The participating SMEs enhanced their supply chains through active engagement with WWF Forest and Trade Networks (FTNs) in the target countries. The FTNs provide a full range of support to member companies. FTNs map the supply chain through working with the target companies to set them on the path to procuring sustainable timber for their wood processing businesses. The FTNs supports their participating companies with market links, best practice workshops and identifying sources of legal and certified timber.



### IMPACTING ON DOMESTIC AND GLOBAL FORESTS MARKETS

15 strategically significant SMEs were selected from each country. These SMEs joined the Forest and Trade Networks in their respective countries. The ultimate aim of FTN membership is to only use certified timber following a period of education, assessments and audit. These members then serve as exemplars for aspiring smaller SMEs to make the switch to certified and sustainable production.



### BENEFITING FROM CERTIFIED PRODUCTS

A further group of 600 SMEs were selected across the three countries to attend workshops, trainings and events to raise awareness of SCP in the timber industry and to guide them on their initial steps to ensuring compliance with the upcoming and current regulations. This larger group of SMEs also forged trade links between companies and met SCP positive buyers, suppliers and retailers to enable them to see the market benefits of committing to certified production.

## TARGET GROUPS

- 45 strategic SMEs with capacity for wider market influence
- 600 SMEs in China, India and Vietnam who have expressed interest in SCP to their representative trade bodies or the project team
- Government ministries in China, India and Vietnam with significant influence in the timber industries.
- Timber trade representative bodies

# REPLICATION STRATEGY



## SHAPING SUSTAINABLE MARKETS

The project works with the Global Forest and Trade Network as a market based mechanism to bring about behavioural change in responsible forest product purchasing. The FTNs bring together forest owners and wood processors who comply with international laws and who are committed to best practice certification. This mechanism accelerates the adoption of SCP in the target timber industries.



## ENGAGING ASSOCIATIONS AND TRADE BODIES

These networks of businesses, all with common goals and established engagement mechanisms spread the messages and practicalities of SCP. They also provide access to supply chain information, allowing analysis of key actors and nodes to take place. Engagement with timber trade bodies in all countries was also highly productive, with members greening their supply chains as a reaction to market demand. Timber industry associations in each country were multiplying results through networking and trade publications. These member-driven organizations were very responsive to SCP issues and proved to be excellent partners for scaling-up.



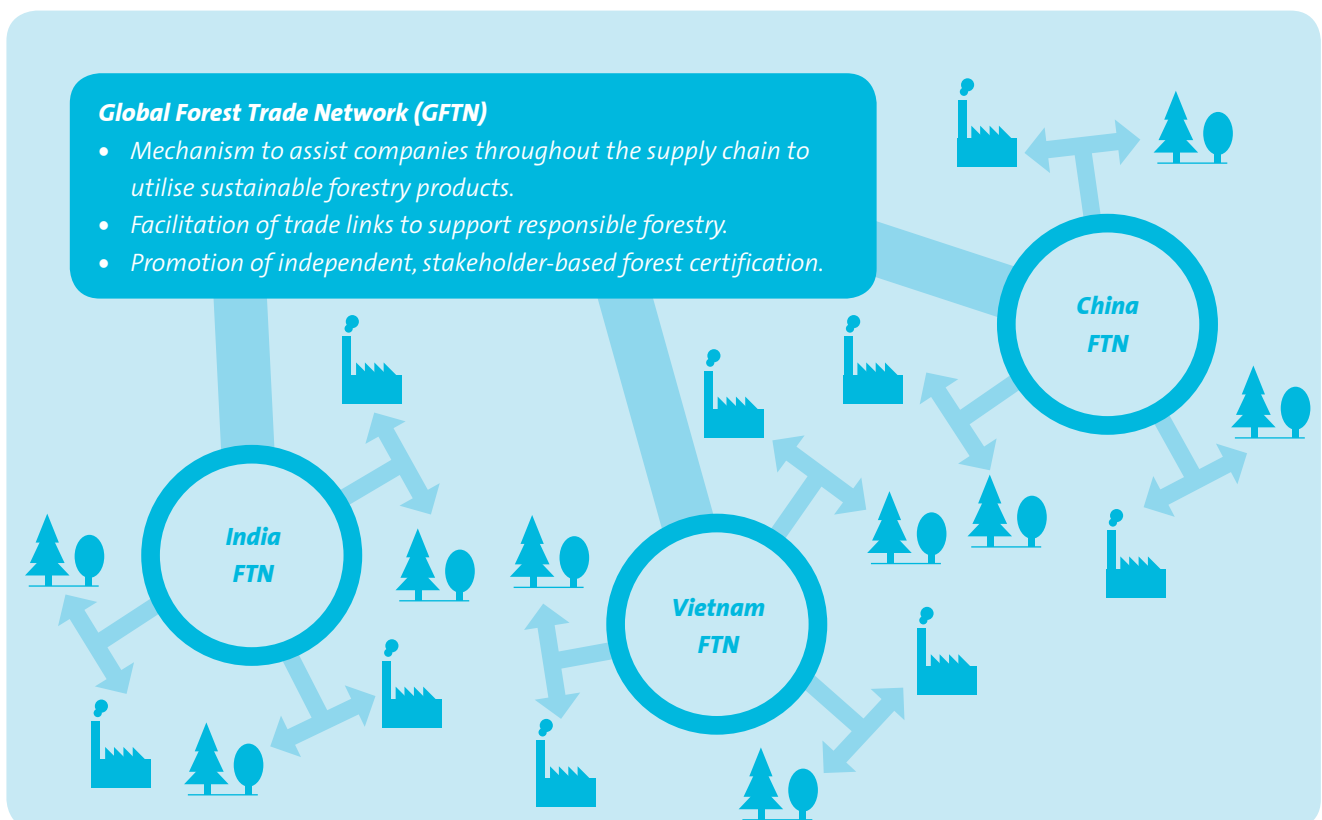
## PROVIDING BUSINESS EXPOSURE

Business exposure visits both nationally and internationally between SMEs were useful in showing producers best practice and providing SCP stories of success. The smaller timber SMEs are often not aware of their role in greening the supply chain and these visits and follow up workshops provide inspiration for change and allow producers to think strategically rather than being constrained by local market forces.



## LINKING TO LOCAL POLICY MAKERS

Engagement with provincial government departments assisted in up-scaling sustainable wood procurement. This local engagement helped to forge relationships between SMEs and government which assisted when introducing the global legislative framework for timber trade and the specific national priorities for SCP. This project had no direct policy objectives but the project team took the lead in working with government officials to integrate the requirements of the EU Timber Regulations and the US Lacey Act into departmental policy frameworks.





## RESULTS



### NEW MARKET PRACTICES ESTABLISHED

Experience gained by the project through working with targeted business networks across a range of wood processing sectors, to create links between producers and buyers, clearly demonstrates that barriers can be removed and new business management and market practices been established. A number of SMEs modified their business practices to procure forest goods from well managed forests, which are in turn being increasingly sought by their customers in overseas markets, hence safeguarding business for the future.



### BEHAVIOUR CHANGES TRIGGERED

The long term market sustainability of SCP helped to catalyse positive behavioural change in adopting environmentally responsible practices. In the long term the project creates a significant shift in demand for sustainable wood products, increasing incentives for suppliers to utilise legal and sustainable sources of wood in their production processes throughout the supply chain.

Almost 30 training events have taken place in the final year of the project across the three target countries. The trainings have focused on sustainable timber trade and legality issues, particularly in relation to the upcoming EU Timber Regulations and the US Lacey Act. SME membership of country forest and trade networks has increased by 30 since the start of the project with a number of other SMEs currently being assessed for entry (10 more in Vietnam alone).



*Unsustainable consumption and production in the timber industry increases in hand with economic development. Unsustainable logging damages habitats and ecosystems and contributes to global carbon emissions whilst denying the rights of forest dependent communities. A switch to SCP and certified timber protects the environment, protects the safety of industry workers and allows forest dependent communities to continue their traditional way of life whilst ensuring timber supplies are managed sustainably.*

*Peter Sawyer, Project Manager,  
WWF UK*



### AWARENESS INCREASED

Outreach activities amongst small-scale timber processors have taken place in all countries and press interest in India has been particularly strong. Many more than 600 SMEs have attended workshops and trainings however the M&E challenge is to show whether the behavioural change has occurred. WWF will continue to raise awareness amongst domestic consumers of the benefits of certified timber to ensure that consumers are able to make informed judgments when purchasing timber.



### OUTPUTS PRODUCED

The project developed a Responsible Purchasing Guide for the Chinese Timber Industry and to support SMEs in their export activities, the project produced a practical guide on how to comply with US legislation protecting fauna and flora. In Vietnam, the project and other partners developed a High Conservation Value Forest Toolkit, providing forest owners with a tool for conservation planning. The India project team developed an export guide to increase access to US and EU markets and also developed a Framework for Assessing Legality of Forestry Operations, Timber Processing and Trade-Principles, Criteria and Indicators. These publications will continue to be distributed through the WWF country Forest and Trade Networks for the foreseeable future.

## IMPACT IN NUMBERS

### ENGAGEMENT OF TARGET GROUP



- 45 SMEs have joined the GFTN and more smaller SMEs have started the GFTN application process.
- Over 600 smaller SMEs gained awareness of SCP

### POLICY LINKAGES



- Not directly relevant for this project, however the project team have led the way in raising awareness of the EU Timber Regulations and the US Lacey Act both amongst government departments and also with SMEs.



***We have passed FSC-COC certification and will encourage our suppliers to work with GFTN to run their businesses in a more responsible and sustainable manner.***

*Terry Tang, Susfor Oasis Wood Company (China)*





**Legend**

- Eligible countries where SWITCH-Asia projects are implemented
- Eligible Asian countries for the SWITCH-Asia programme
- Non-eligible Asian countries for the SWITCH-Asia Programme

**Project implementation area**

- City
- Region
- Country

The boundaries shown on this map do not imply on the part of the European Union any judgment on the legal status of any territory or the endorsement or acceptance of such boundaries.

**OBJECTIVES**

The SWITCH-Asia *Sustainable and Responsible Trade Promoted to Wood Processing SMEs through Forest and Trade Networks in China, India and Vietnam* project seeks to engage at least 600 SME wood processors in the target countries and for them to apply sustainable production techniques and provide certified forest products to domestic and international markets by 2012.

**DURATION**



**FUNDING**

EUR 2, 497, 373  
(EC contribution 80%)

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**PROJECT CONSORTIUM**



WWF-UK and Partners  
WWF Vietnam, WWF India, WWF China



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