

Marius Gunawan

Subject: 5th GDA TNC-WWF newsletter



TNC-WWF ALLIANCE@News is an electronic newsletter of [The Nature Conservancy \(TNC\)](#) and [the World Wide Fund for Nature \(WWF\)](#) Alliance to [promote forest certification and combat illegal logging in Indonesia](#). The aim of this newsletter is to inform partners and stakeholders what the Alliance is doing to improve forest management and to reverse forest degradation and loss in Indonesia and to influence forest products markets internationally. The **TNC-WWF ALLIANCE@News** will come out every three months (quarterly) in two versions, Indonesian and English. To (un)subscribe, make inquiries regarding the content of the newsletter, or contribute to the

newsletter, please contact GDA Communications Manager: Marius Gunawan (mgunawan@tnc.org)

For more information activities and documents of TNC-WWF Global Development Alliance please go to:

<http://www.forestandtradeasia.org/country/Indonesia/English/>

Bahasa Indonesian version:

<http://www.forestandtradeasia.org/country/Indonesia/Indonesian/>

EDITION 05, Dec 2005

ALLIANCE ACTIVITIES - Recent Highlights

- [Conference Advances HCVF in Southeast Asia](#)
 - [China Forest and Trade Network Welcomes First Eight Members](#)
 - [Major Japanese Stationary Company Achieves Chain of Custody Certification](#)
 - [Two HCVF Assessments Implemented in East Kalimantan](#)
 - [Natural Forest Concession in Indonesia Earns FSC Certification](#)
 - [Legality Standard Verification Process Continues](#)
 - [New Criteria for Sustainable Palm Oil Production Could be Breakthrough for Industry](#)
 - [Conflict Resolution Training in East Kalimantan](#)
 - [Television Documentary on Collaborative Management](#)
-

ALLIANCE ACTIVITIES - Recent Highlights

Conference Advances HCVF in Southeast Asia



In August, TNC and WWF convened a conference on identifying and maintaining High Conservation Value Forests (HCVF). The conference was a great success with progress achieved on all objectives. The objectives were to:

- Inform a broad range of stakeholders on current advances, issues, and constraints related to HCVF.

- Refine the Indonesian and Global HCVF toolkit, including better defining thresholds for determining the presence of High Conservation Values.
 - Create recommendations based on a consensus among practitioners for FSC and the Roundtable on Sustainable Palm Oil on governance of HCVF and related issues.
 - Generate recommendations for governments and industry on policy related to HCVF and forest conversion (including incentives for forest certification) in South East Asia.

The Conference attracted over 63 participants from Indonesia, Malaysia, Papua New Guinea, Vietnam, the UK, USA, and Switzerland. A wide range of stakeholders were represented at the workshop including the Sustainable Roundtable on Oil Palm, a mining company from Central Kalimantan, a large multi-national pulp and paper company (APRIL), national and International level NGOs (Walhi, JKPP, ProForest), and various conservation projects operating in SE Asia (Flora Fauna International, Yayasan Orangutan Indonesia, WCS), government official (Indonesian MoF, PNG Forest Authority) and private sectors (PT. Finantara Intiga, Sarawak Forestry Corporation).

Key issues discussed included the political context for HCVF analysis; what can and can't be mapped at different scales; techniques for identifying social values; options for managing and monitoring the maintenance of values identified; governance of the use of the HCVF concept - particularly when assessments are done outside the framework of forest certification; and the role of governments in HCVF analysis and maintenance.

The presentations during the conference and associated in depth discussions allowed the participants to redefine the HCVF concept, and strategically plan its future application. "The successful conference gives us the confidence to envisage the increased use of HCVF for conserving forest areas in a non-protected forest matrix," said Scott A. Stanley, TNC's East Kalimantan Program Manager of TNC as coordinator of the conference. "HCVF could play an important role in retaining forest connectivity at the landscape level, by providing a private sector approach toward reinforcing the existing network of protected areas", he added.

Agreed follow-up actions include:

- a process to consult on and revise the Indonesian HCVF toolkit
- finalization of the PNG HCVF toolkit
- continued development of the Vietnam HCVF toolkit
- a proposal to the Indonesian government to set up a working group on HCVF.
- development of an international HCVF resource center and website, with www.forestandtradeasia.org to serve as a "node" for South East Asia.
- development of a syllabus for HCVF training at the Conservation Resource Center in Bogor, Indonesia.

Further information on the conference is posted at

http://www.forestandtradeasia.org/guidance/Asia_Pacific/English/5/15/ ***

China Forest and Trade Network Welcomes First Eight Members



The China Forest and Trade Network (CFTN) marked a major milestone when it formally announced that five companies from mainland China: Jinlin Province Baihe Forest Bureau (Producer), Heilongjiang Province Youhao Forest Bureau (Producer), Yihua Timber (Manufacturer), Shanghai Anxin Flooring Co. Ltd. (Manufacturer), Yingbin (Shunde-

Foshan) Timber Co. Ltd. (Manufacturer), and three from Hong Kong: Kingfisher Asia Ltd. (Trading Company), 100% Concept Asia Pacific Ltd. (Trading company), Auma International Ltd. (Trading company) have qualified as its first official members.

Welcomed at a reception held during the “China Wood Markets Export and Import Conference” in Dongguan, these new members are the first companies in China and Hong Kong to pass the CFTN membership requirements, thus demonstrating long term commitments to responsible forest management and trade. The companies include two of China’s largest state-owned forest bureaus covering a total of 433,475 hectares, three major private manufacturing companies based in mainland China, and three trading companies located in Hong Kong. In addition, CFTN activities at the conference catalyzed interest from many other companies that have announced intentions to submit applications to join the network.

Launched in March 2005, the CFTN has the potential to play an important role in the global timber trade. The world’s second largest importer of industrial timber, pulp, and paper, China leaves a massive ecological footprint across the forests of the globe both as a producer and a consumer. Faced with an increasing demand for wood and paper products along with diminishing forest resources, China imports timber from many countries, including Russia, Indonesia, South America, and Central Africa. These regions have significant problems such as illegal logging and forest crimes, loss of natural forest to agriculture and silviculture and loss of biodiversity.

Against this backdrop, the environmentally sensitive markets of Europe and North America are calling for wood products that are legally harvested. The companies that joined the CFTN see the potential to grow their export trade with these regions by becoming more responsible in their purchasing and achieving credible certification. “Our customers in Europe demand certified and legal timber,” said Peter Cox, Quality Assurance Manager for Hong Kong-based trading company Kingfisher Asia Ltd. “CFTN can provide the support to our Chinese manufacturers that will help us meet this demand.”

In order to qualify for the CFTN, all the new member companies have undergone baseline audits and prepared detailed action plans to improve their environmental performance. The CFTN will provide technical support and guidance to help these companies follow through on these action plans in order to achieve credible certification within a five year period.

Drawing several hundred industry professionals from China, Russia, Canada, the United States, and other countries, to the manufacturing center of Dongguan Province, the “China Wood Markets Export and Import Conference” was the ideal venue for spreading the word about the CFTN and GFTN. In addition to the membership ceremony and exhibition booth, the CFTN’s activities included a presentation by GFTN Producer Coordinator George White about the growing importance of certification in China’s export markets. These high profile events combined with lots of networking resulted in several new companies making commitments to apply to the CFTN. Notably, the President of Kangda, one of China’s largest flooring manufacturers and a high profile conference sponsor, announced the company’s CFTN application at its 10th Anniversary Banquet.

CFTN member and applicant companies alike acknowledge that, given the state of today’s changing global forest market, responsible forest management and trade is good business. Mr. Lu Weiguang, the Chairman of the Shanghai-based Anxin Flooring Company, put it this way: “Anxin’s goal is to become the leading flooring company in the world, and to achieve that we must take responsibility for the environment. The CFTN will help my company find sustainable sources of legal timber so that both my business and the forests will thrive for generations to come.”

“China is emerging as a dominant force in the global forest trade,” said Mr. Jin Zhonghao, Manager of the CFTN said at yesterday’s event. “It’s crucial that Chinese companies have a network that enables them to demonstrate that they are managing forests sustainably and processing and trading forest products responsibly. We welcome the first eight CFTN members who can serve as guiding

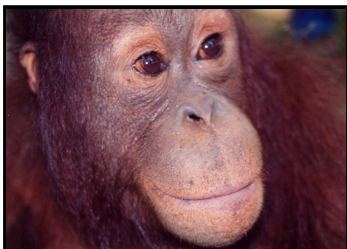
lights for others in the industry.’’***

Major Japanese Stationery Company Achieves Chain of Custody Certification

In July, WWF facilitated a meeting between five Japanese companies and potential Indonesian FTN (Nusa Hijau) participants in Jakarta. This meeting, which included a presentation on responsible purchasing behavior in Japan, enhanced understanding of the FTN network and opened the door for possible market link between Japanese companies and Nusa Hijau participants in the future.

ASKUL, one of Japan’s leading stationery and office supplies companies, took part in the Jakarta meetings, after which they joined a WWF organized a field trip to Riau, Sumatra. Flying over the forests of Riau in a small aircraft, the group observed High Conservation Value Forests (HCVF) as well as contrasting widespread forest destruction. Seeing the state of Sumatra’s forest first-hand further strengthened ASKUL’s resolve to disassociate from irresponsible wood sources. This was ASKUL’s second trip to Sumatra sponsored by WWF. The company’s long dialogue with WWF and other NGOs has led to the company’s recent CoC certification from FSC as well as its adoption of a Responsible Purchasing Policy earlier this year. ASKUL also publicly supported the “Joint NGO Recommendation in Ecologically Ethical Paper Procurement,” developed by 5 NGOs, including WWF Japan, in its most recent Annual Report released this quarter.***

Two HCVF Assessments Implemented in East Kalimantan



HCVF assessments were carried out for two concessions in East Kalimantan. The first was done in PT Adindo, a 217,000 ha pulp concession located in the northern portion of East Kalimantan. Seven different areas totaling 43,000 ha were identified as meeting the criteria for HCVF. Included among this area is a habitat critical for protection of the remaining Bornean Pygmy Elephant population that is only found in Sabah and East Kalimantan. The company has committed to protecting these areas.

The second HCVF assessment was done in Sumalindo’s 100,000 ha Unit Four concession on the Segah River, in Berau. The northern portion of the concession was assessed for High Conservation Values. During the original assessment, discussions were held with villagers from Long Oking. according to Erik Meijaard, TNC Senior Ecologist, “They confirmed the presence of a large population of orangutans on the border area between the headwaters of the Segah River and the head waters of a small tributary of the Kayan River”. A TNC survey is being planned for the first quarter of 2006 to assess the size and status of this population. ***

Natural Forest Concession in Indonesia Earns FSC Certification

PT Erna Djuliawati, a forest concession with total area of 184,206 hectares in Central Kalimantan, obtained FSC certification in September 2005. This certification represents the largest single forest certified in Indonesia. WWF is working closely with PT Erna Djuliawati to ensure they achieve market benefits as a result of this certification and is arranging for various buyer members of

GFTN to visit the company's forest concession next quarter. WWF is hopeful that the company will join Nusa Hijau, the Indonesia Forest and Trade Network, in the near future. ***

Legality Standard Verification Process Continues

Two workshops were held during the month of May, the first in East Kalimantan (the province in which the ILV&TT pilot took place, involving government and industry stakeholders also) and the second in Bogor (aimed primarily at the influential national NGOs). The objective of these workshops was to report back on our experience with field testing the legality standard, to seek ideas for resolving the identified problems, and to foster greater involvement in and ownership of the Legality Standard amongst the key local stakeholders.

As a result of these workshops, Lembaga Ekolabel Indonesia/The Indonesian Ecolabeling Institute (LEI) have taken the lead in coordinating the process create a single Legality Standard for Indonesia and creating or identifying an institution to house and manage it. LEI has arranged meetings and consultations with key stakeholders on three occasions since the May workshops, which culminated in a large and successful workshop in West Java. This workshop was sponsored by the Indonesia-UK MoU team.

A steering committee has been created, whose stated aim is to reach agreement upon a single legality standard for Indonesia.***

New Criteria for Sustainable Palm Oil Production Could be Breakthrough for Industry



After a year of intensive work involving a multitude of stakeholders including WWF, the working group of the Roundtable on Sustainable Palm Oil (RSPO) completed preparation of principles and criteria for sustainable palm oil production. Encompassing legal, economic, technical, environmental and social aspects of palm oil production, these criteria represent a major milestone in international efforts to ensure palm oil is produced in a sustainable manner.

They will be presented for ratification at the 3rd meeting of the Roundtable on Sustainable Palm Oil (RSPO) in Singapore on 22 – 23 November, and the result could be a breakthrough for responsible palm oil production that conserves the natural environment and improves the lives of people.

The increasing global demand for palm oil has led to a rapid expansion of oil palm plantations. WWF believes that the industry-wide application of the RSPO criteria can lead to the sustainable development of palm oil, while conserving forests that are valuable for both people and endangered animal species, such as elephants, tigers and orang-utans. The RSPO-criteria could ensure that further expansion will happen in an environmentally sound and socially responsible way that avoids clearance of high conservation value forests, devastating forest fires, pollution of the environment, and social conflicts.

The Roundtable on Sustainable Palm Oil was initiated in 2003 by WWF in cooperation with

business partners to promote sustainable palm oil and achieve a common definition of responsible palm oil production -- the newly completed principle and criteria.***

Conflict Resolution Training in East Kalimantan

The Nature Conservancy organized a conflict resolution training from September 19 - 23 in Berau, East Kalimantan. The training aimed at improving the capacity of the participants in identifying the root causes of conflicts, address their conflicts collaboratively, and develop the capacity of communities in managing their conflicts.

The training, facilitated by RACA Institute was attended by 35 participants from: Segah's Management Body, Dinas Kehutanan (District Forestry Department), BAPPEDA/(District Planning Department), BAPEDALDA (District Environment Department), Dinas Pemberdayaan Masyarakat (District Community Empowerment Department), Dinas Pertambangan (District Mining Department), NGOs (Yayasan Bestari, Pemuda Peduli Lingkungan Berau, LAPPERMA), Youth Organization (KNPI Berau), and concessionaires (Sumalindo II and IV, HPHTI Sumalindo, PT Mardika Insan Mulya, PT. Wanabakti, PT Aditya).***

Television Documentary on Collaborative Management

A trip was arranged for journalists to East Kalimantan to visit the site in the Segah watershed of Berau, where TNC has piloted a collaborative management approach with the Sumalindo Unit IV timber concession and five Dayak communities. These journalists, from RCTI a national private television, documented the management by local communities – with supported from TNC – of forest resources. This documentary film was broadcast at November on “Gapura,” a 20 minutes television program on RCTI. ***

photo: Marius Gunawan/TNC, WWF, Don Bason, Linda Engstrom

The TNC-WWF Alliance is a five year initiative that aims to: 1. Strengthen market signals to expand certification and combat illegal logging; 2. Increase supply of certified Indonesian wood products; 3. Demonstrate practical solutions to achieve certification and differentiate legal and illegal supplies; 4. Reduce financing and investment in companies engaged in destructive of illegal logging in Indonesia; 5. Share lessons learned from the project.

The Alliance's Partners

The coordinating partners are The Nature Conservancy (overall coordinator) and the World Wide Fund for Nature (WWF-Indonesia in collaboration with WWF International and other offices). TNC and WWF are actively seeking other partners to join this effort. Leading partners in implementation are:

- United States Agency for International Development is the lead donor catalyzing this initiative.
- Indonesia's Ministry of Forestry and the United Kingdom Department for International Development are partners in legality verification and timber tracking.
- Indonesian national and local governments, civil society, and forest products companies are local partners in implementation.
- Center for International Forestry Research (CIFOR) is monitoring project impacts and assisting with research on illegal logging.

- World Resources Institute (WRI) is innovating in monitoring of forest condition and illegal logging detection.
- Tropical Forest Foundation (TFF) is training Indonesian forest products companies in improved forest management techniques such as reduced impact logging.

Leverage from the private sector is a key part of strategy. Partners include the following:

- ABN AMRO Bank: funding for corporate environmental performance profiles.
- BP: funding for Conservation Training and Resource Centre in Indonesia.
- Carrefour: partnership with communities in Java to improve teak plantation management.
- Edelman Worldwide Communications: pro bono public relations expertise
- ESRI: software and training GIS and image interpretation.
- Global Forest and Trade Network: over 800 member companies involved in funding and market linkages support.
- Goldman Sachs Investment Bank: pro bono expertise on investment issues.
- IKEA: partnership with WWF in China.
- Indonesian forest products companies: funding to cover various field activities in Indonesia.
- International Finance Corporation (IFC): working to help Indonesian companies green their practices.
- Lowe's Companies: using its buying power as an alliance partner.
- Smartwood (part of Rainforest Alliance): assisting improving forest management with companies in Indonesia.
- The Forest Dialogue: business and NGO leaders facilitating dialogue.
- Homebase UK: working with suppliers in South East Asia to improve forest management.
- The Home Depot: funding and using its buying power to influence suppliers.
- Texas Pacific Group: pro bono advice on investment issues.
- Tropical Forest Trust: investment in Indonesia wood suppliers to help them become certified

[Top](#)