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TIMBER COUNCIL**

**COMMITTEE ON ECONOMICS,
STATISTICS AND MARKETS**

COMMITTEE ON FOREST INDUSTRY

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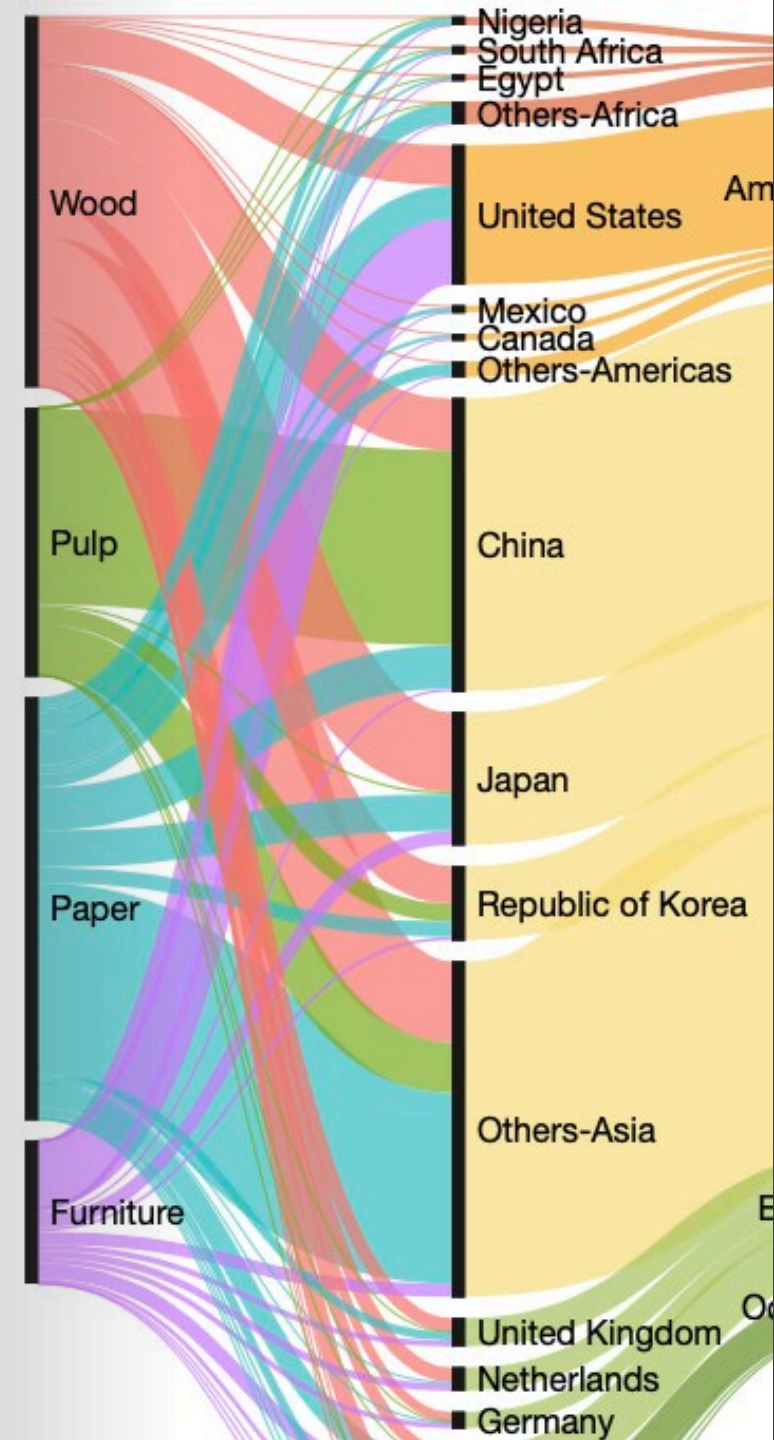
FIFTY-FIFTH SESSION
29 November – 3 December 2021
Virtual Session

PRESENTATIONS UNDER AGENDA ITEM 10

CEM-CFI POLICY WORK

FLEGT VPA Independent Market Monitoring (IMM)

Rupert Oliver, IMM Trade Analyst

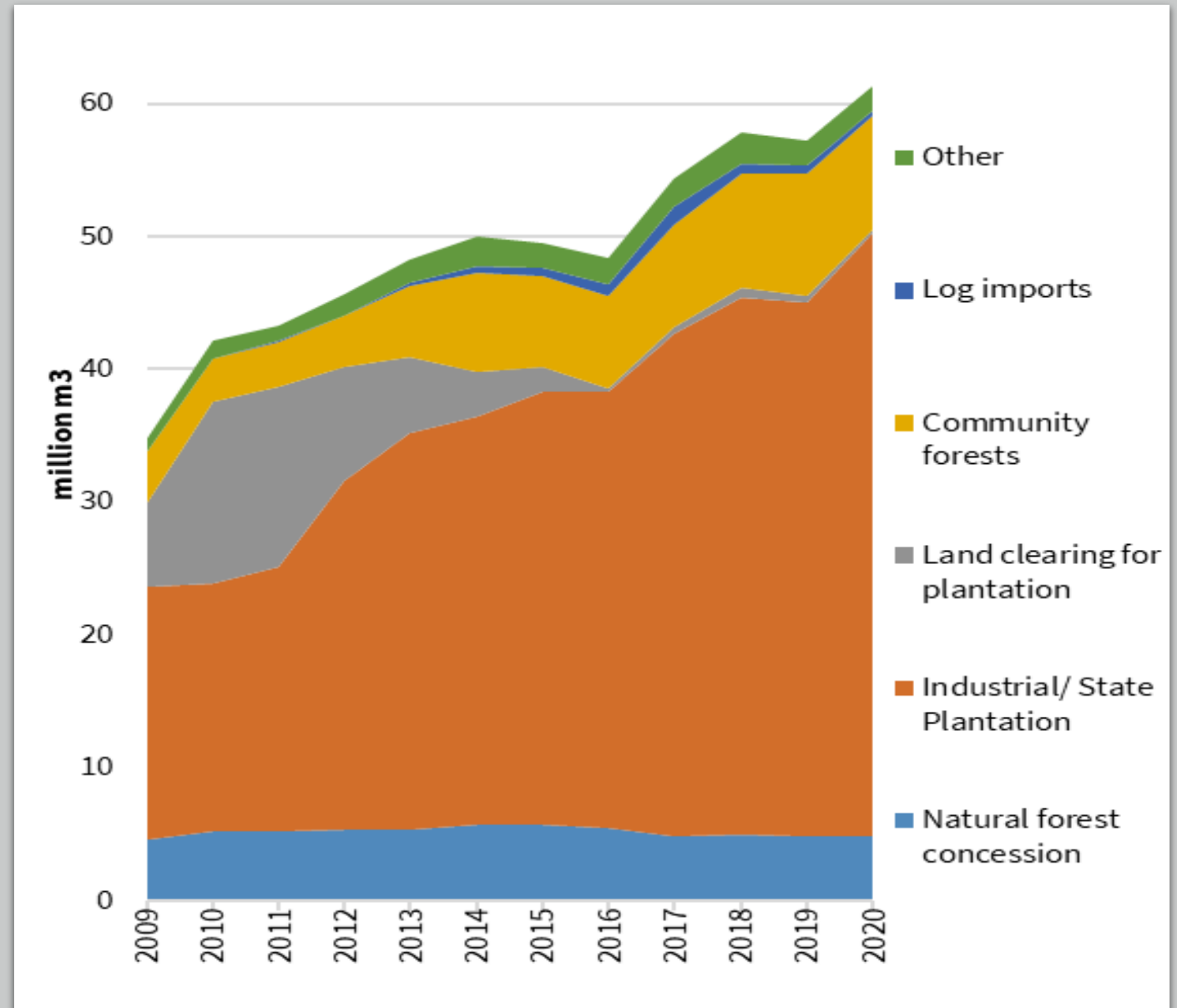


FLEGT licensed & VPA partner timber products trade trends

- Indonesia timber products exports & trade with EUTR countries
- FLEGT VPA partners in global trade
- Comment on policy implications

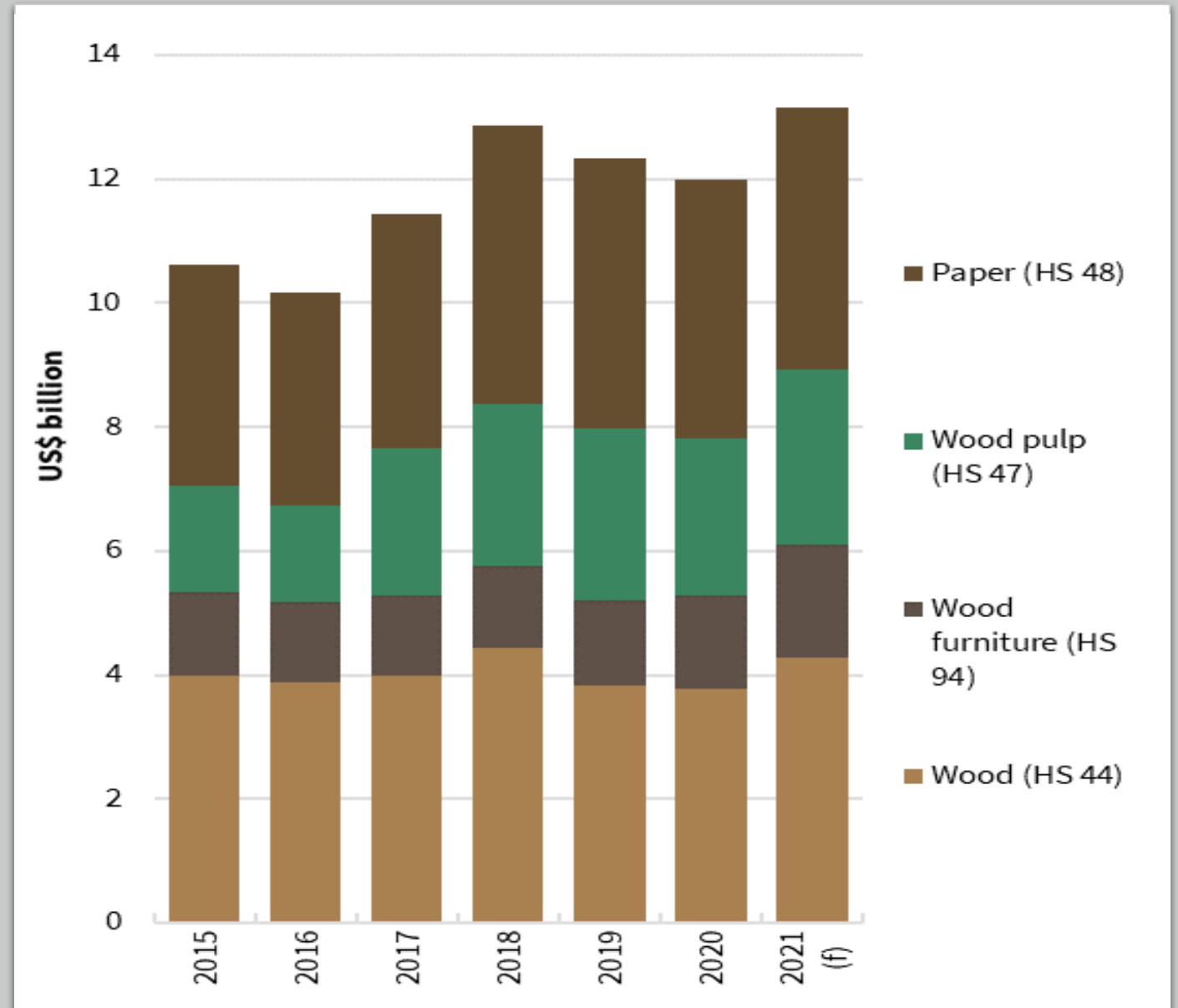
Indonesia log supply

- 61.3 million m³ in 2020, +7% due to rise in plantation production destined for P&P
- Big shift in sources of supply in the last decade with major implications for product mix & target markets
- Share 2020 (2010):
 - 74% (44%) industrial plantations
 - 14% (8%) community forests
 - 8% (13%) forest concessions
 - 1% (0%) log imports
 - 1% (32%) land clearance
 - 3% (3%) other domestic sources



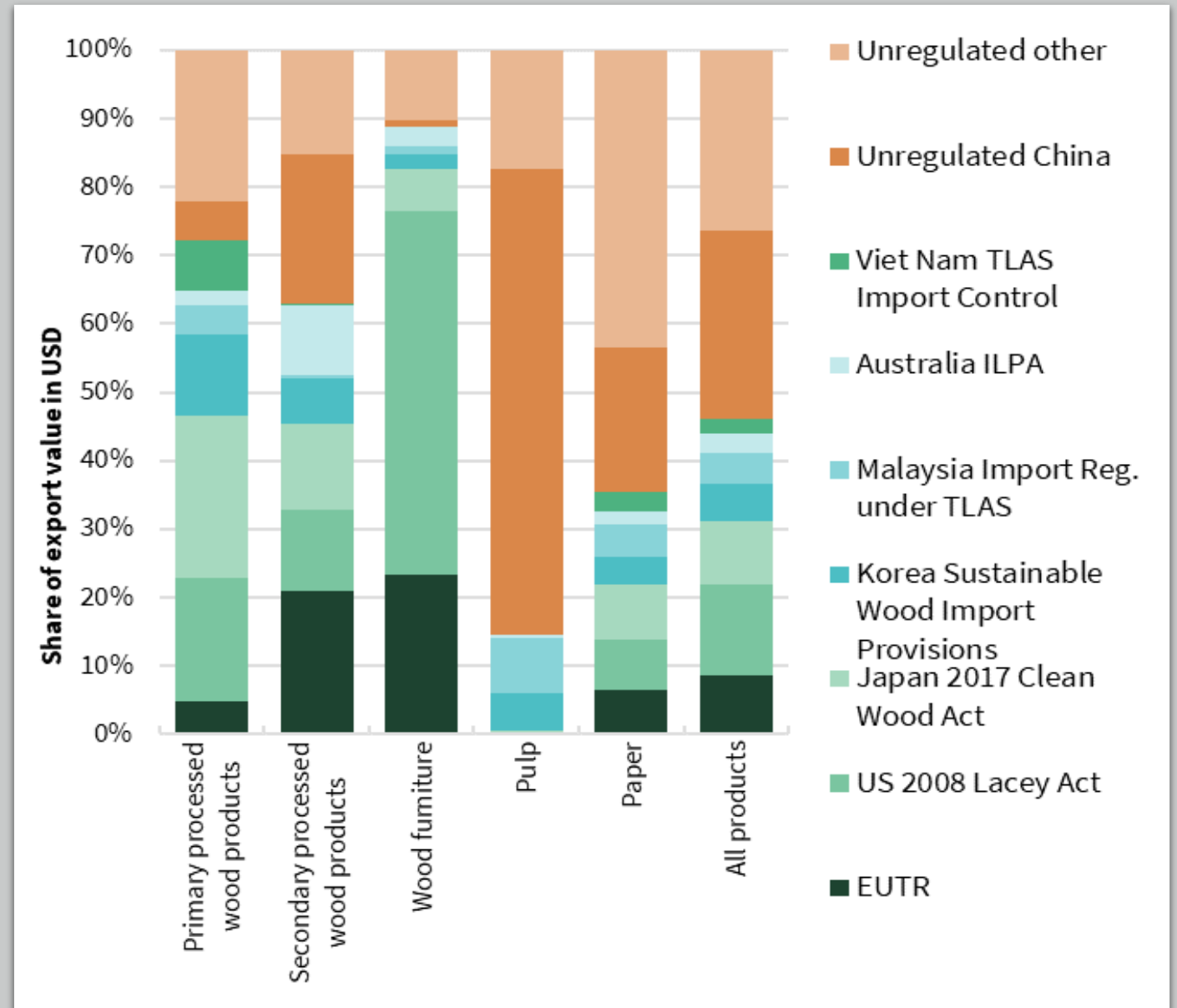
Indonesia timber product exports

- Resilient despite pandemic
- HS44 wood and wood furniture particularly robust
- 2020:
 - Total -3% to USD12 billion
 - Pulp (-9%), paper (-4%), wood (-1%), wood furniture (+10%)
- 2021 forecast:
 - Total +10% to USD13.2 billion
 - Pulp (+12%), paper (+1%), wood (+13%), wood furniture (+21%)



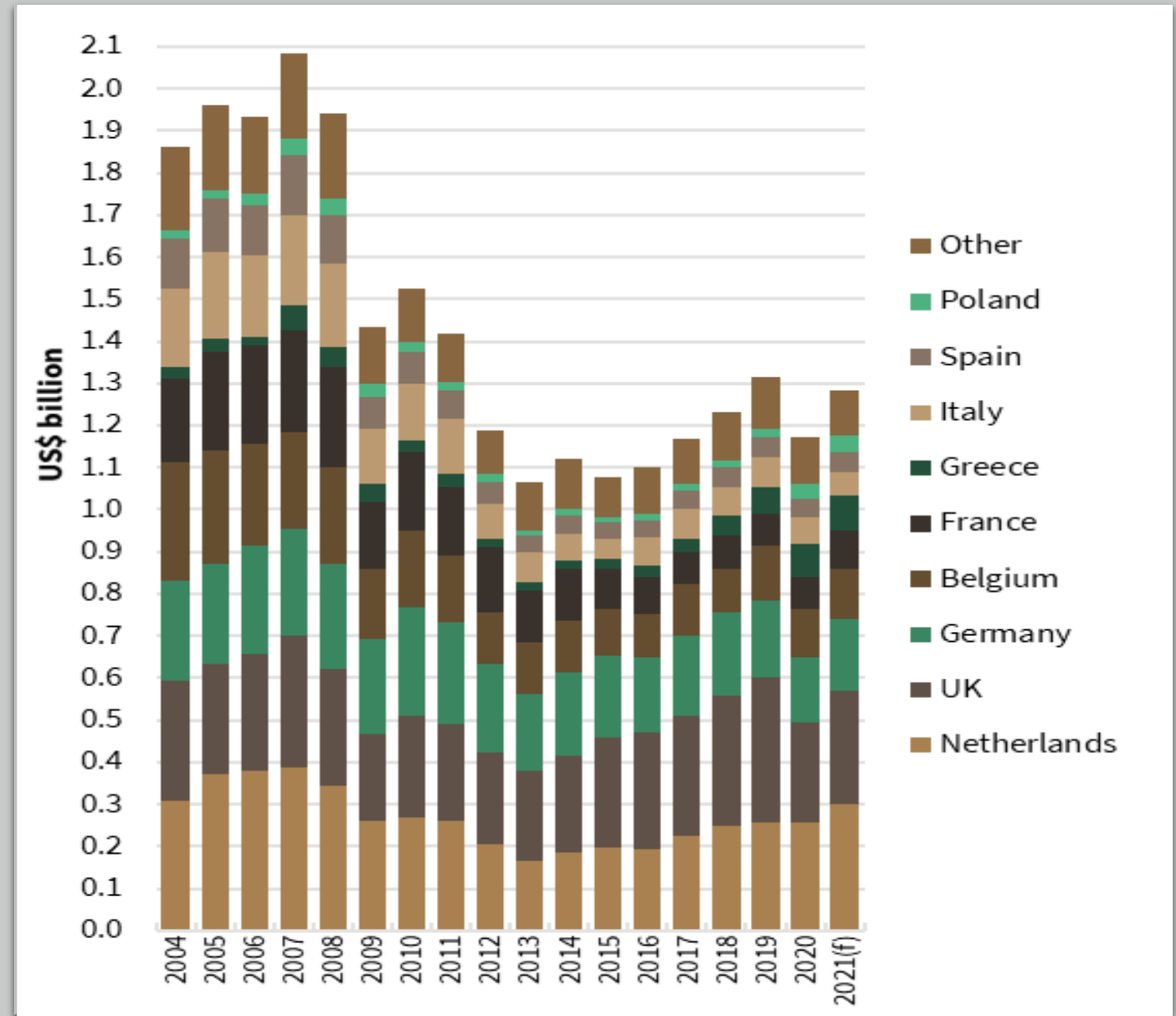
Indonesia timber exports

- In 2020, EUTR countries <10% of total timber products exports by value
- EUTR countries share of exports: ~20% SPWPs & furniture, 4% PPWPs, 6% paper, 0% pulp
- 46% total exports destined for “regulated” markets
- China by far largest “unregulated” destination



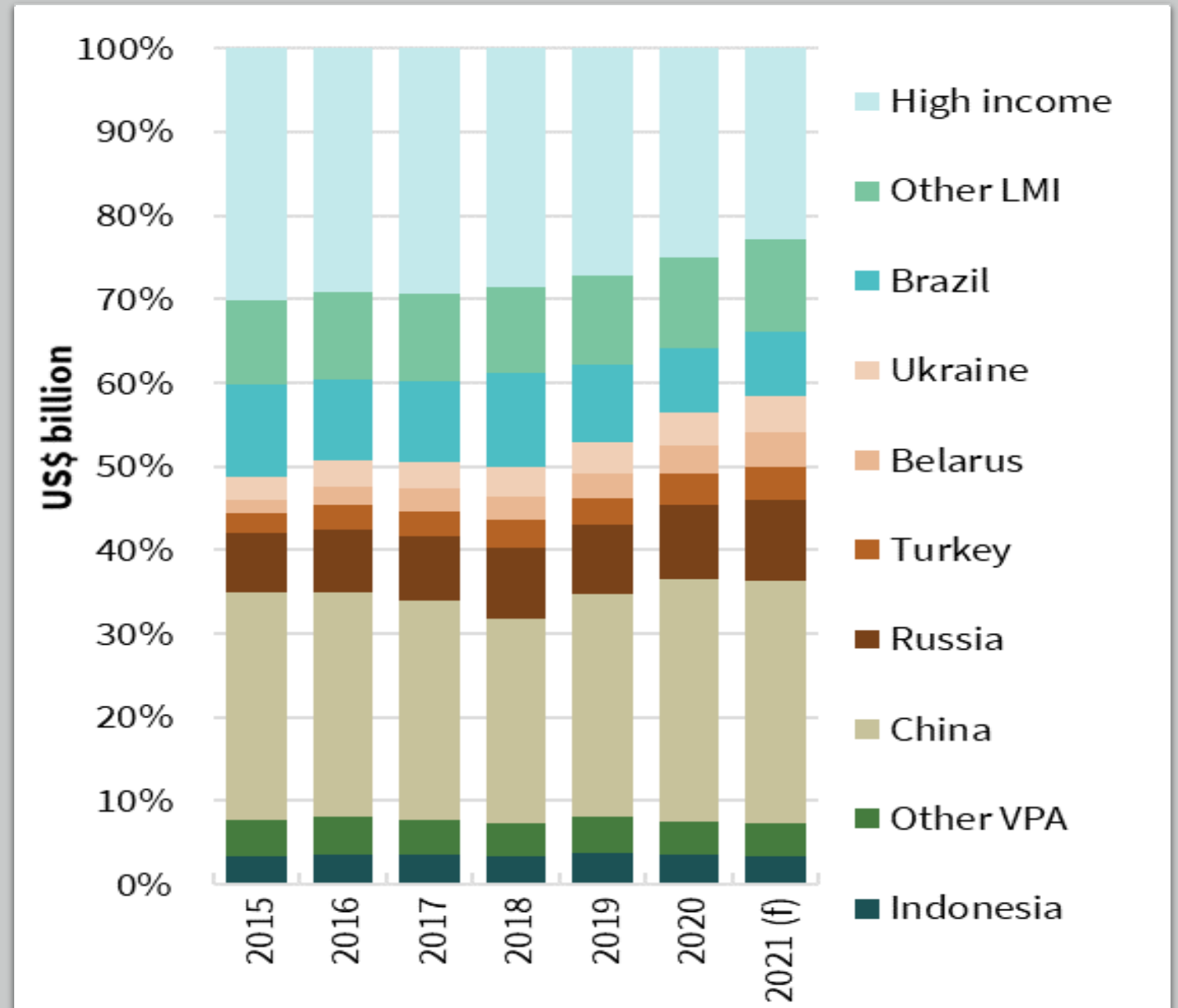
EUTR-country timber product imports from Indonesia 2004-2020, 2021 (f)

- Just before FLEGT licensing began in 2015, imports from Indonesia at historic low
- Numerous factors constraining growth in trade with Indonesia at that time: currency, weak construction activity, competition from European & CIS suppliers, substitution, fashion, strong demand for Indonesian products elsewhere, logistics...
- Many constraining factors still exist & are unaffected by licensing
- But encouraging rise in trade between 2017 and 2019, particularly in the Netherlands and UK
- Pandemic led to 11% downturn in EUTR country import value to USD1.17 billion in 2020
- Forecast 10% rebound to USD1.28 billion in 2021



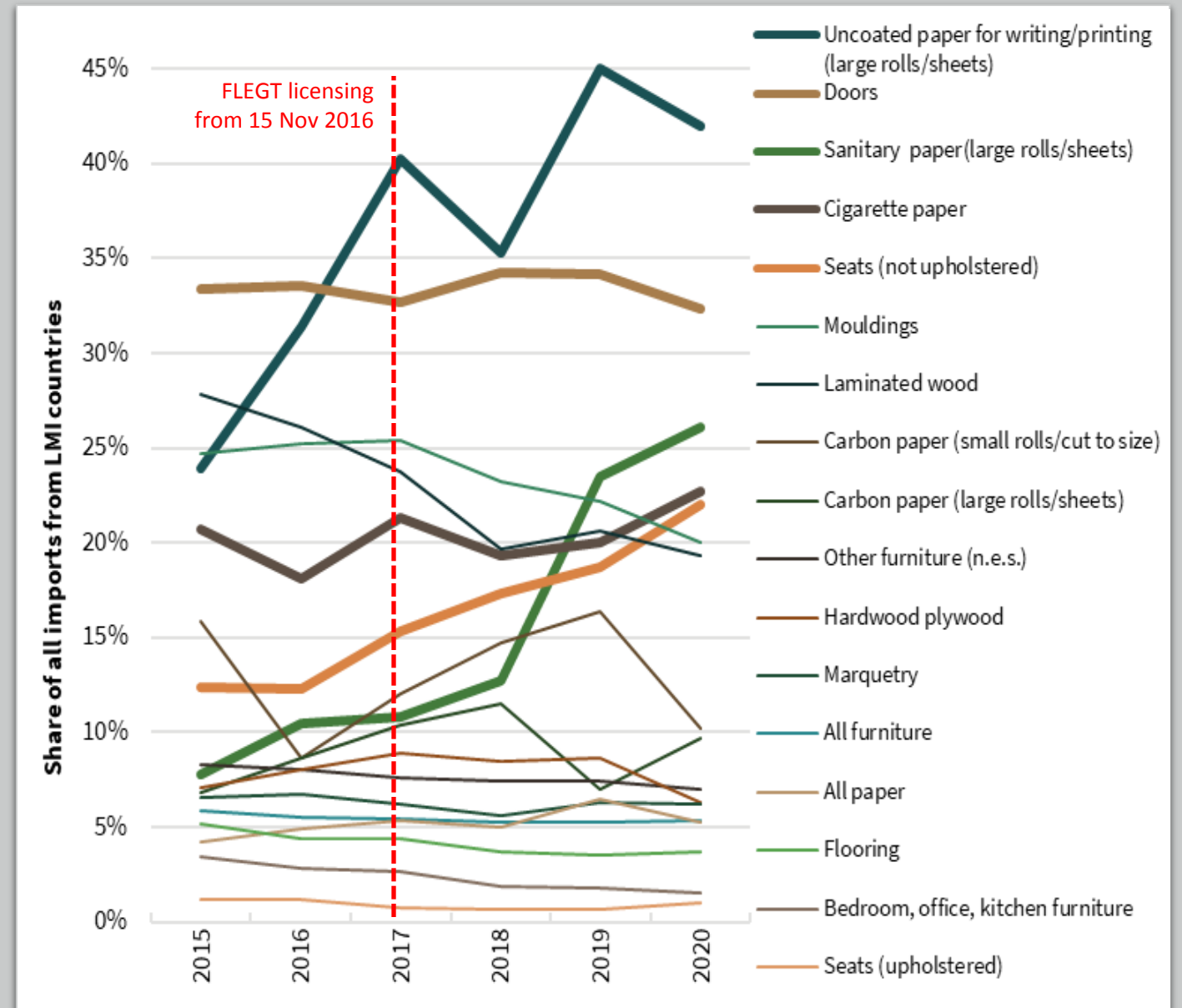
Share of total EUTR-country timber product imports

- Indonesia's overall share little changed in recent years
- Growth in imports from Indonesia coincided with even bigger increase from other countries
- Notably Russia, Turkey, Belarus, Ukraine
- China lost share in 2016-2017 and regained share 2018-2020



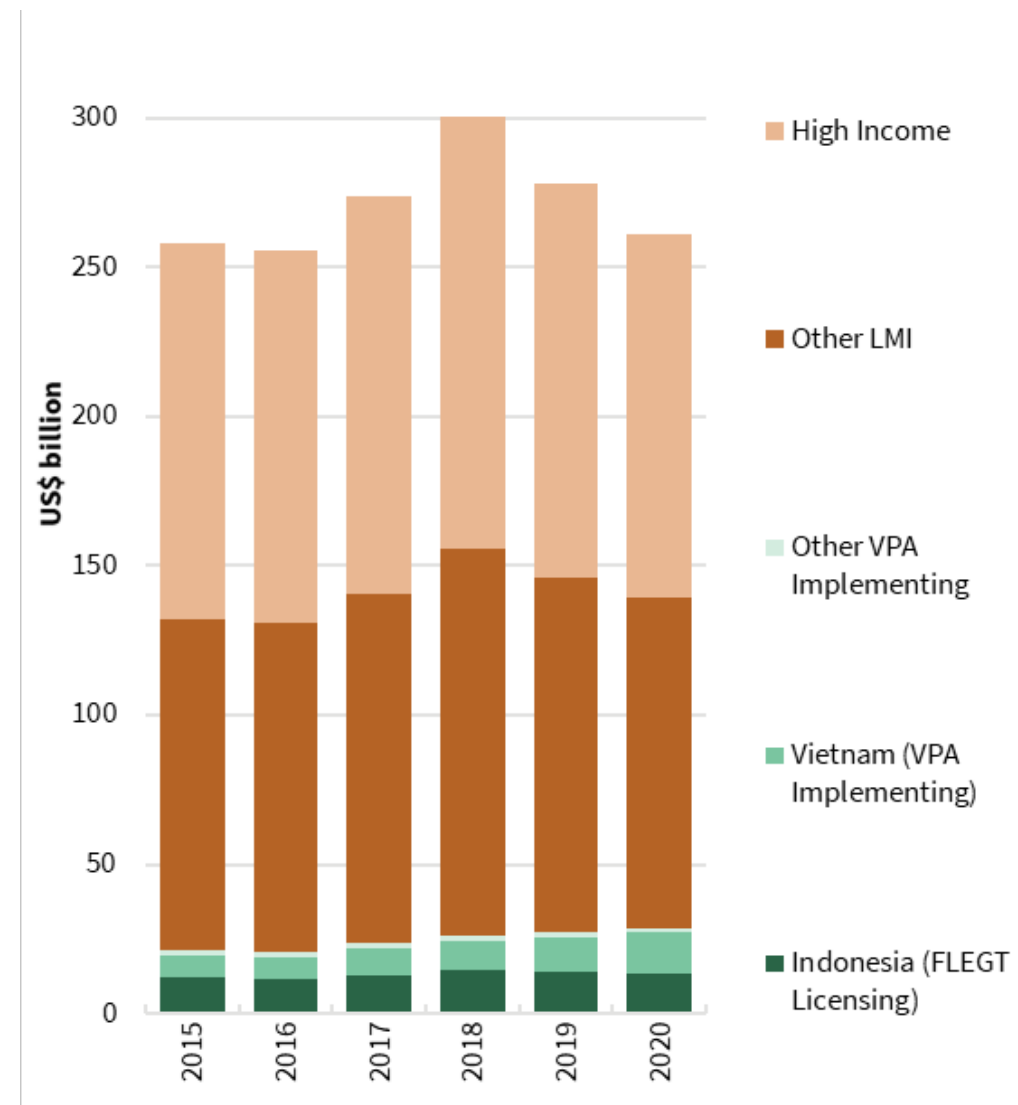
Indonesia share of EUTR-country import from LMI countries by product type

- No strong signal of significant market benefit due to FLEGT licensing
- Noticeable gains in share in only a few niche markets
- Certain paper types, particularly in UK & Greece
- Doors in the UK
- Non-upholstered (garden) wood seating destined for Germany, UK and Belgium



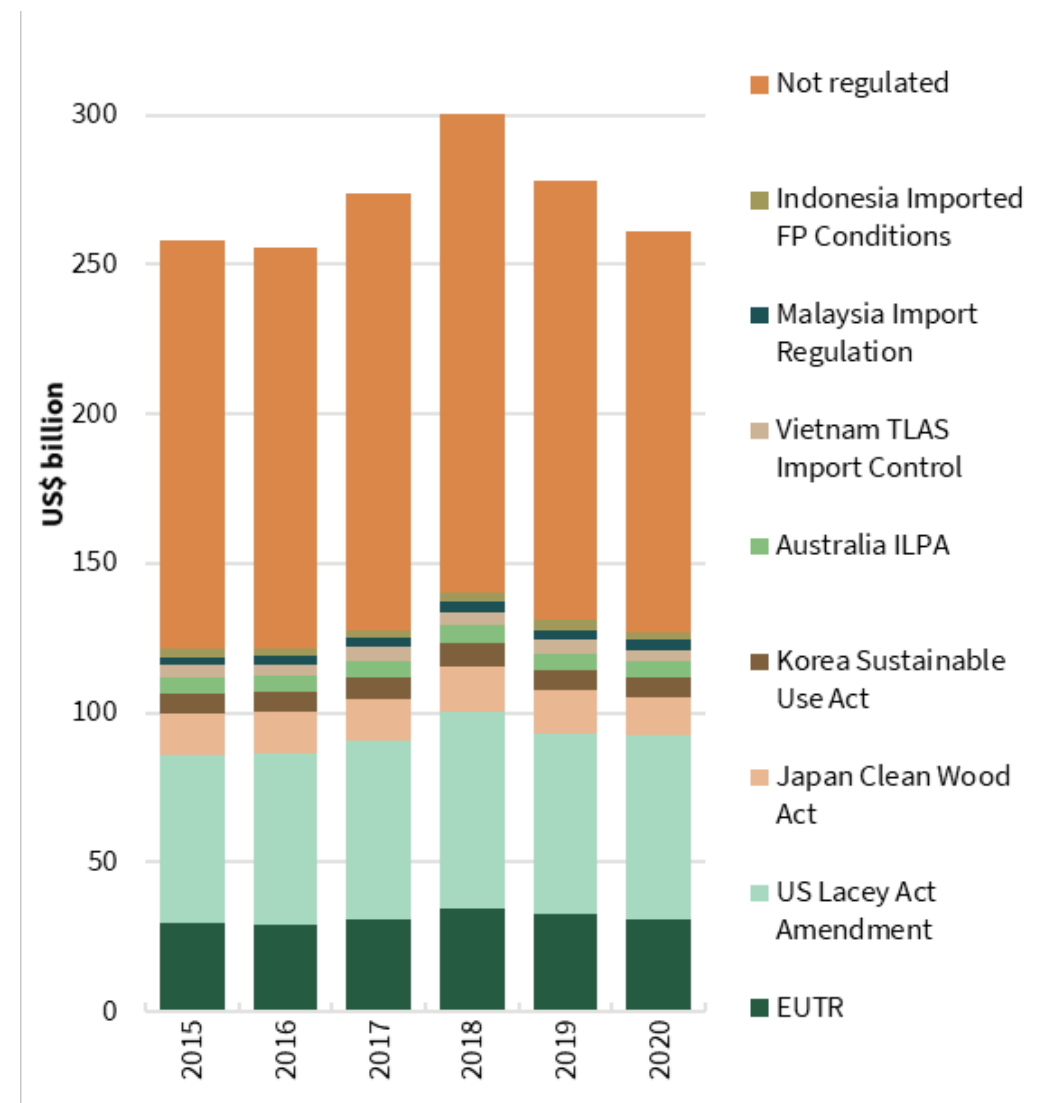
Global timber products trade by FLEGT VPA status & income group 2015-2020

- In 2020, VPA partners accounted for:
 - 11% of total value of global timber products trade
 - one fifth of timber products export value from all Lower and Middle Income (LMI) countries
- Share rising due to increasing exports from Vietnam to the US at the expense of China



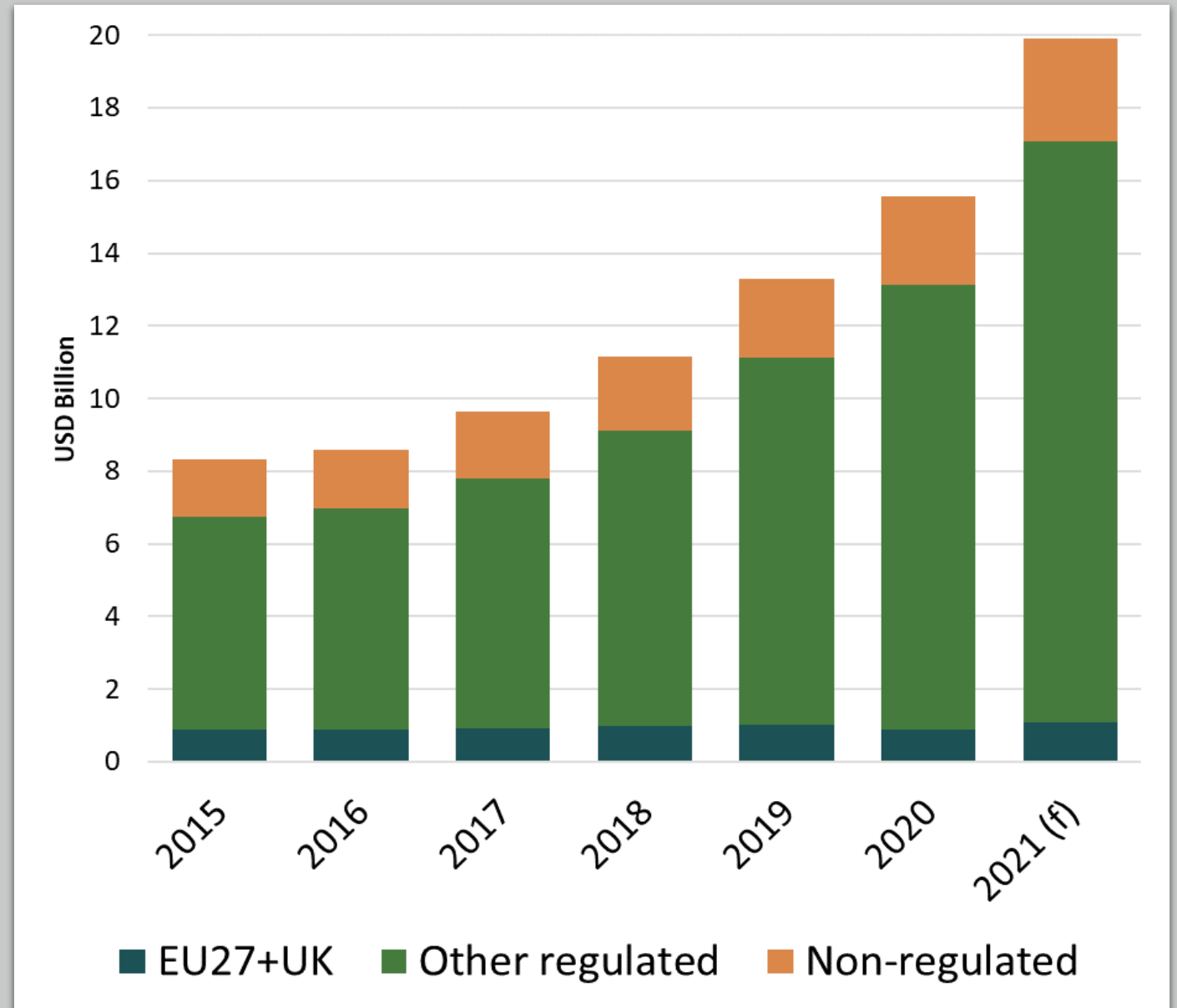
Global timber products trade by regulatory status of importing country 2015-2020

- In 2020, EUTR-countries accounted for 12% of global imports (excludes internal EU trade)
- All regulating countries together accounted for 49% of global timber product imports
- China accounted for around 1/3rd of non-regulated imports



Timber products exports* from Vietnam by regulatory status of importing country

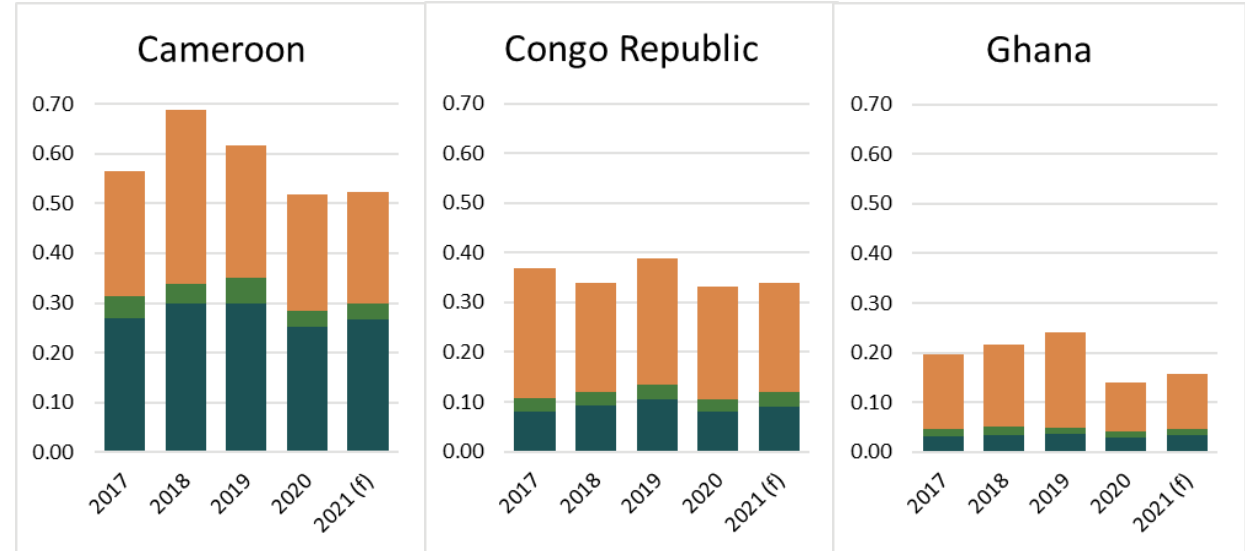
- Exports to US > USD 1 billion per month in H1 2021
- Vietnam overtakes China as US largest supplier of interior furniture
- Rising demand for raw material this year:
 - Jan-Jul - domestic plantation supply +6% to 9.5 million m3
 - Jan-Aug - imports +27% to 4.73 million m3, rising logs & sawn from EU & N. America, panels from Thailand, sawn from Cambodia & Laos. Declining from Africa.
- Sept 2020: Government Decree No. 102 to implement Timber Legality Assurance System (VNTLAS Decree)
- US agreement with Vietnam Oct 2021:
 - Section 301 (US Trade Act) Investigation
 - Improve TLAS; keep confiscated timber out of supply chain; verify legality of all domestically harvested timber; work with high-risk source countries on FLEG etc..
 - Subject to USTR oversight
 - [https://ustr.gov/sites/default/files/files/Vietnam%20Timber/VN%20Timber%20Agreement%20Text%20\(9-30-21\).pdf](https://ustr.gov/sites/default/files/files/Vietnam%20Timber/VN%20Timber%20Agreement%20Text%20(9-30-21).pdf)



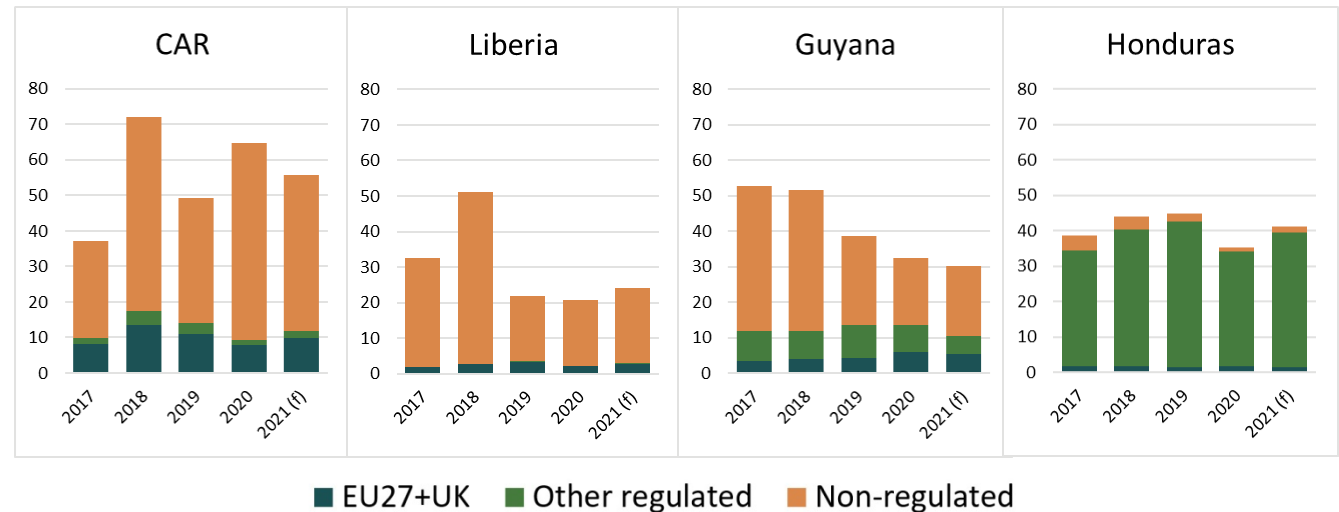
African & Latin American VPA partner timber products exports*

- Exports from all African and Latin American VPA partners low & often declining before pandemic
- Disproportionately impacted by pandemic
- Challenges of moving staff & materials, maintaining equipment, lack of containers & other freight problems
- Challenges likely to persist in LMI countries with low level of access to economic support measures, vaccines and other health services
- **Significant steps towards TLAS implementation in Ghana & Congo**

Timber product exports in US\$ billion



Timber product exports in US\$ million



Conclusions

- FLEGT process has achieved considerable reach and influence in global forest products trade and this needs to be built on
- Alongside Indonesia, the role of Vietnam as a globally significant processing hub, and of Cameroon in the context of African trade, should be highlighted
- For market development, FLEGT licensing is a slow burn and not a silver bullet
- Efforts to further develop TLAS must be responsive to significant competitiveness challenges of timber industries in VPA partner countries
- VPA Partner progress needs to be rewarded with concerted efforts to promote a favourable market position for licensed timber
 - Efficient and effective enforcement of EUTR, UKTR and similar legislation
 - Positive communication of the contribution to sustainable forest management in VPA partner countries

Thank you

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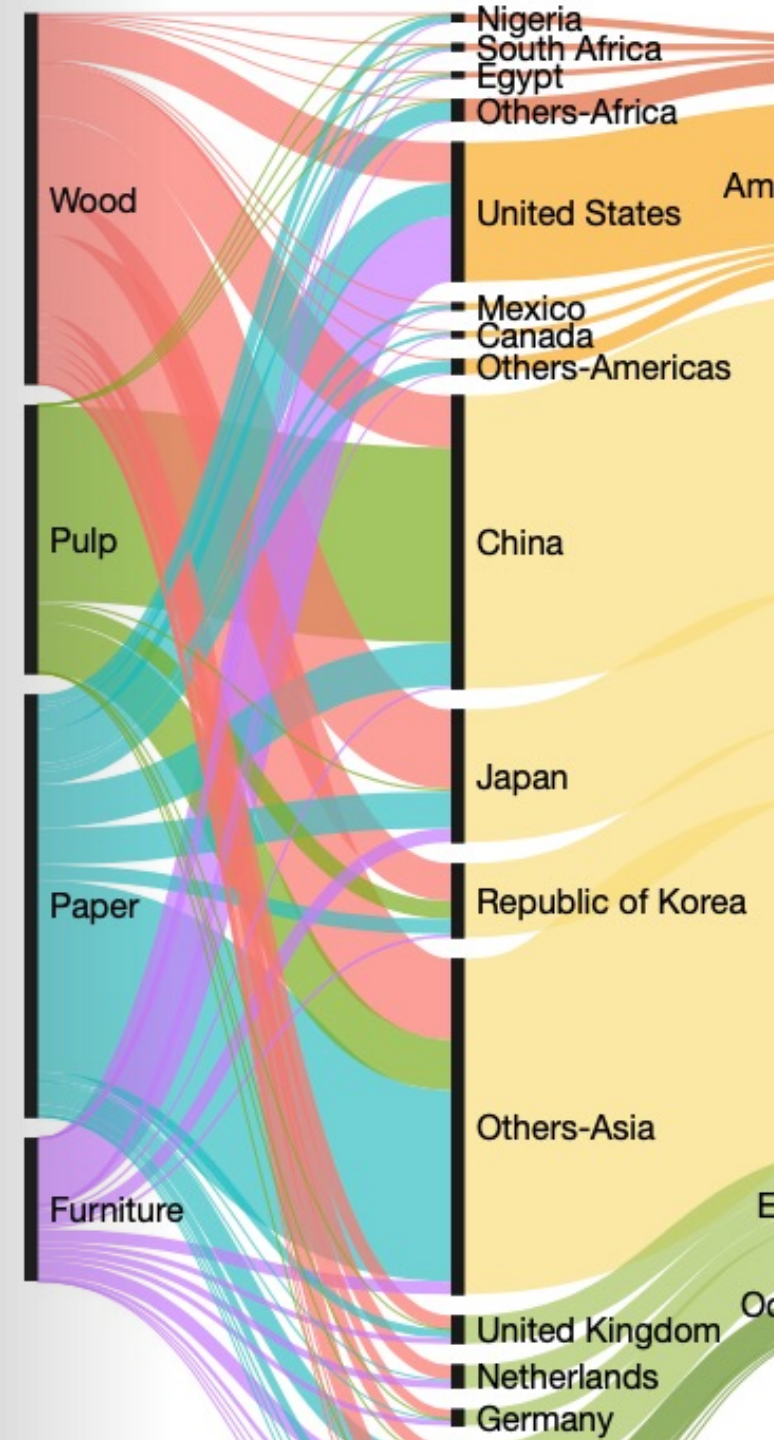
Independent Market Monitoring of FLEGT-Licensed Timber



FLEGT VPA Independent Market Monitoring (IMM)

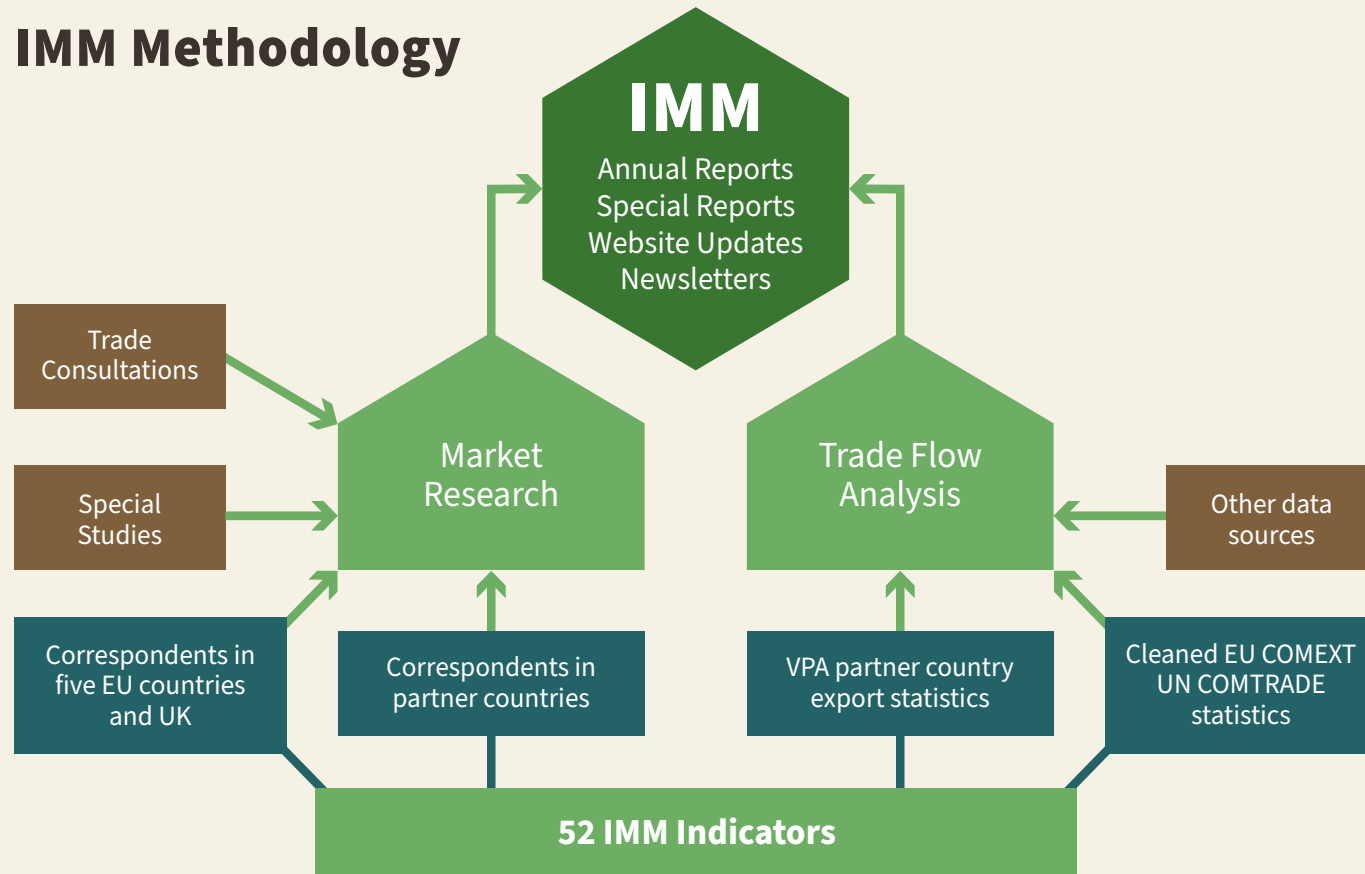
ITTC 2021

Sarah Storck, IMM Lead Consultant



IMM mandate and methodology

IMM Methodology



Embedded in the EU-IND VPA:

Article 15 b:

“the Union, in consultation with Indonesia, shall engage the services of an Independent Market Monitor to implement the tasks as set out in Annex VII.”

Annex VII

2. Scope:

“IMM shall cover:

- The release for free circulation of Indonesian FLEGT-licensed timber at points of entry in the Union;*
- The performance of Indonesian FLEGT-licensed timber in the Union market and the impact of market-related measures taken in the Union on the demand for Indonesian FLEGT-licensed timber;*
- The performance of non-FLEGT-licensed timber in the Union market and the impact of market-related measures taken in the Union on the demand for non-FLEGT-licensed timber;*
- Examination of the impact of other market-related measures taken in the Union such as public procurement policies, green building codes and private sector action such as trade codes of practice and corporate social responsibility.”*

IMM outputs

Resources

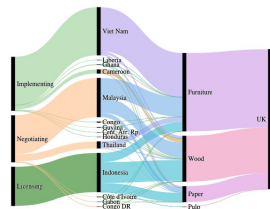
Explore in-depth analysis on trends in timber trade and FLEGT VPA

Trade with VPA Partner Countries

Overview

The UK's imports of tropical timber products (HS44) and wood furniture from VPA partner countries fell 22% through the pandemic, from €583.6 million in 2019, to €365.7 million in 2020. However, this still leaves the country as the biggest European timber trader with these suppliers. The next largest, the Netherlands, imported €449.6 million in 2020.

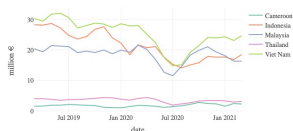
The UK mostly imports general/other furniture followed by joinery, seating, plywood and mouldings from Asian VPA countries. Where business with the African VPA partners is concerned, importers consider the UK a more conservative market than its European neighbours in terms of tropical species. The bulk of sales comprise sapele, sipo, iroko, ekki, frambe to a diminishing degree, wawa, wenge, dark red meranti, keruing, yellow balsa and bangkirai decking, merbau, ipe, greenheart, plus jatoba, massaranduba, garapa and cumaru. Other varieties do sell, but in limited quantities and, say importers, it is a challenge to persuade end-users to try secondary or lesser-known species, despite environmental arguments in their favour. The UK's lead product from African VPA suppliers by some way is sawn timber, followed by logs, joinery, furniture and mouldings. From Honduras and Guyana imports are dominated by sawnwood, in very small volumes.



UK - VPA partner country trade January-December 2020 (in €)
Source: IMM Data Dashboard

Trade with Top 5 VPA Partners

UK trade with its top five VPA timber trade partners all contracted in May, when its lockdown rules were at their most rigorous. But, with some fluctuation, all showed improvement over following months as restrictions were relaxed, although, in December, while those from Cameroon were climbing, imports from Vietnam, Malaysia, Indonesia and Thailand showed some decline.



UK - top 5 VPA partner trade 2019-2020
(3 month rolling averages; HS44, HS47, HS48, and HS94 products)
Source: IMM Data Dashboard

FEATURED REPORT

FLEGT VPA Partners in EU Timber Trade 2019

ANNUAL REPORT | November 2020

Report authors:

Sarah Storck (IMM Lead Consultant), Rupert Oliver (IMM Trade Analyst)

Edited by: Steven Johnson (ITTO Assistant Director Trade and Industry), Mike Jeffree (IMM UK Correspondent)

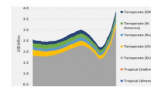


News

Check out all the latest news on timber market, FLEGT, and our projects.

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Market News



Pandemic-related supply issues lead to loss of VPA partner share in rising UK market

Nov 3, 2021

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EU27 demand recovers but FLEGT licensed and VPA partner timber loses ground

Nov 3, 2021

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World of Wood Festival to highlight role of timber in creating a low-carbon future

Nov 3, 2021

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Policy News



Rebranding to position SVLK as a market leader



Raise the forest protection bar with EU ECT



Minister Matondo speaks out for EU ECT

Background Documents

IMM Global Indicators

24 November 2017

IMM Country-Specific Indicators

24 November 2017

Annual Reports

FLEGT VPA Partners in EU Timber Trade 2019

November 2020

FLEGT VPA Partners in EU Timber Trade 2018

November 2019

FLEGT VPA Partners in EU Timber Trade 2017

November 2018

FLEGT VPA Partners in EU Timber Trade 2014 to 2016

October 2017

Europe's Changing Tropical Timber Trade 2004 to 2014

November 2015

Special Studies

Study of EU public timber procurement policies, private sector policies and related guidance

September 2021

Assessing the impacts of timber legality on the European Union's wood-furniture sector and the associated VPA partner country timber trade

December 2020

The impact of FLEGT VPAs on forest sector investment risk in Indonesia and Viet Nam

December 2020

Forest sector investments in FLEGT VPA countries

September 2019

A study of EU public timber procurement policies, related guidance and reference to FLEGT

July 2019

EU wood promotion programmes and their recognition of FLEGT

April 2019

EU voluntary private sector timber procurement policies & the role of FLEGT licensing

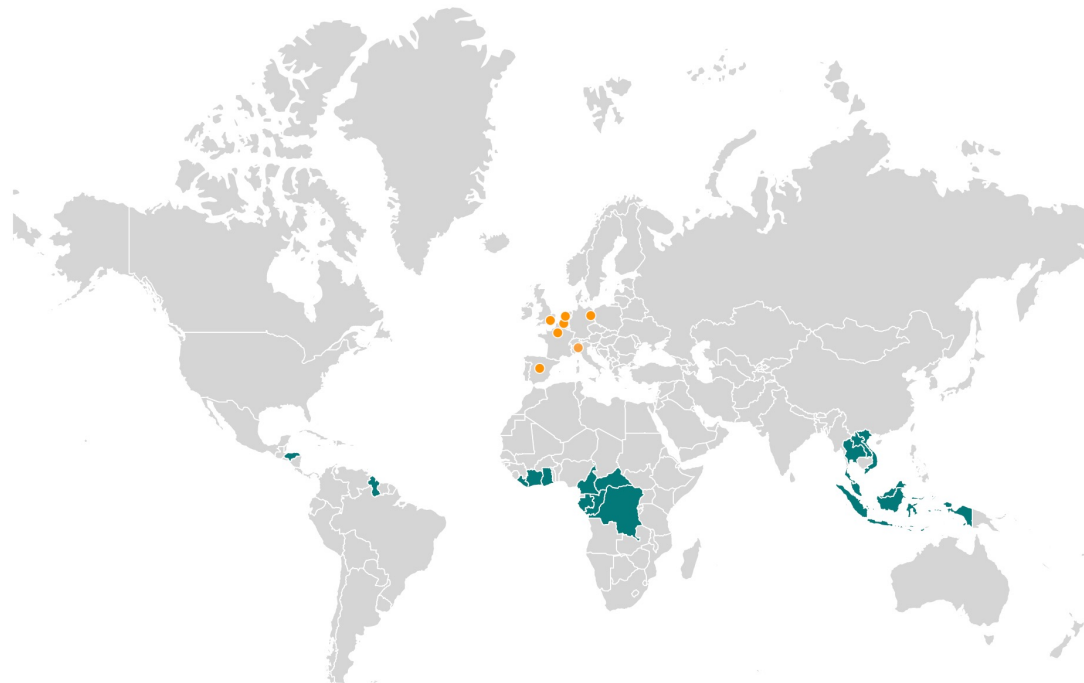
December 2018

Scoping study for assessing the impacts of timber legality on the European Union's wood-furniture sector and the associated tropical timber trade

October 2018



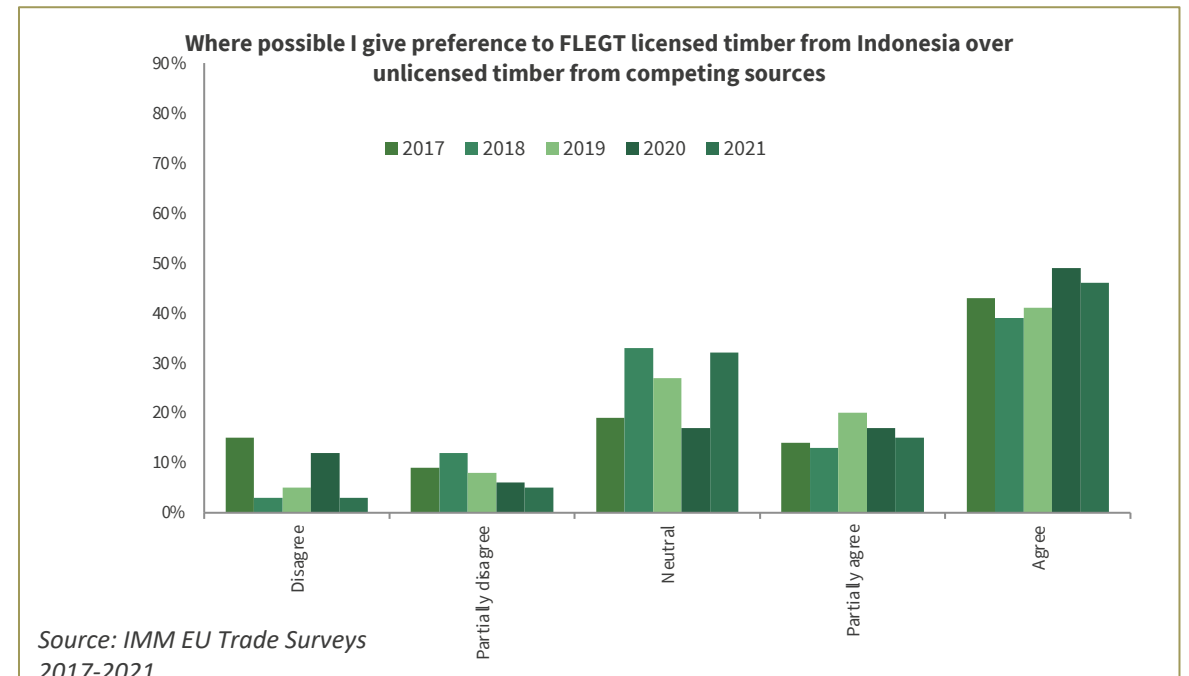
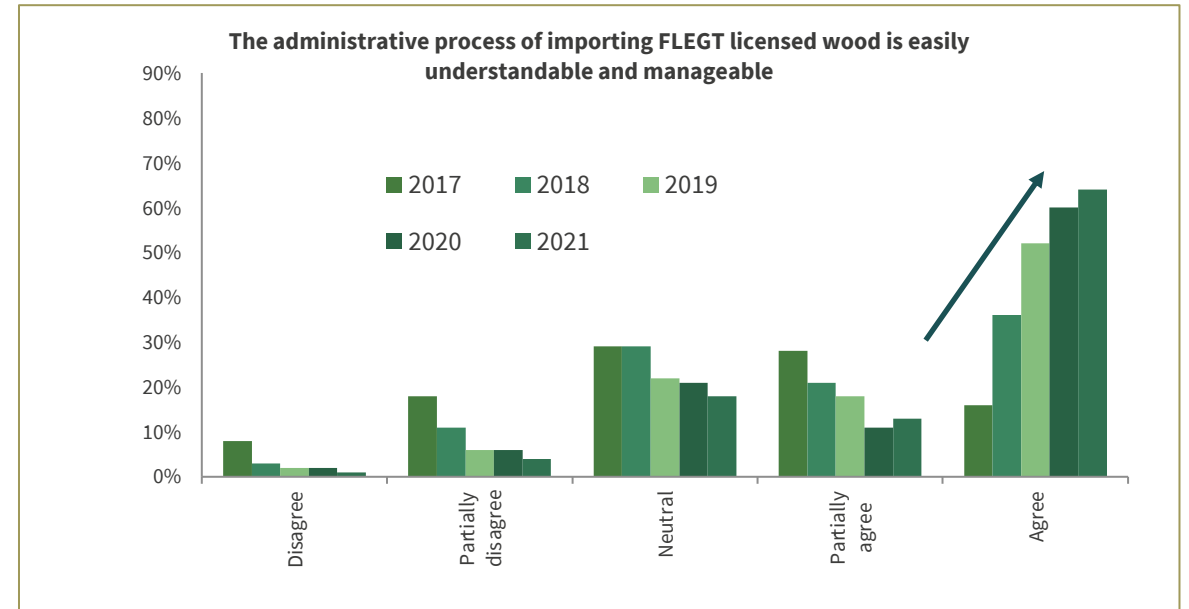
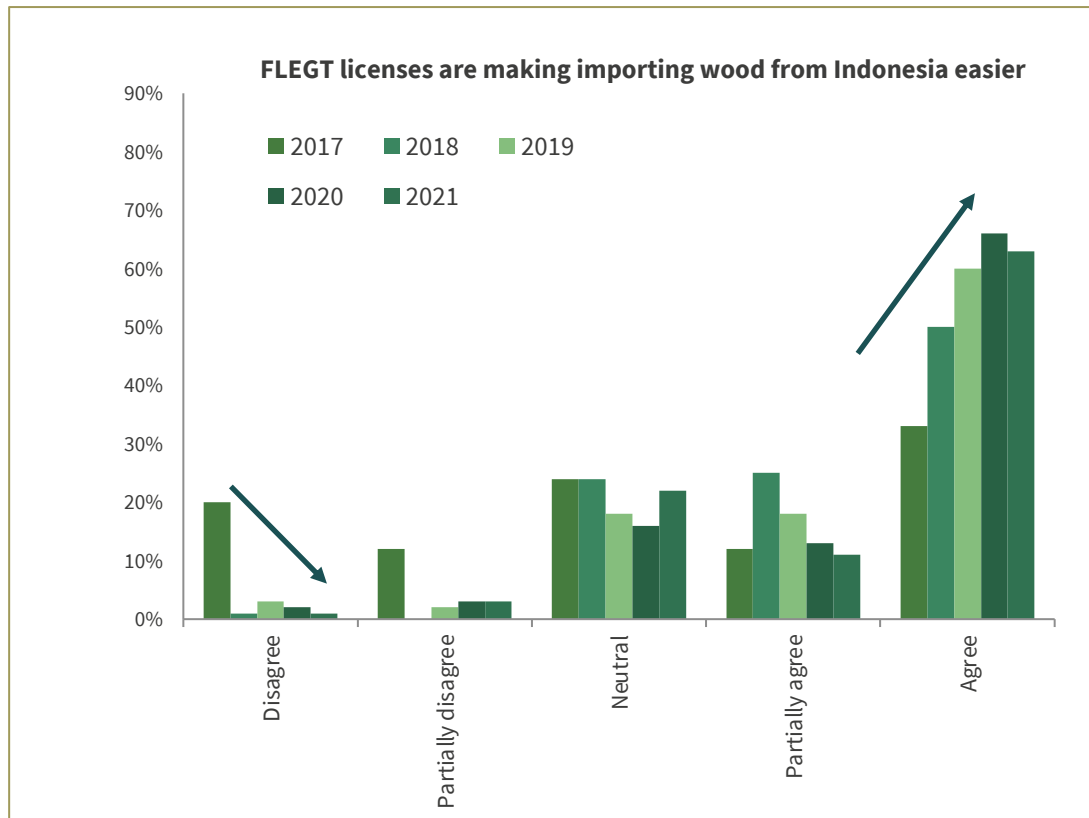
IMM Surveys and Studies 2017-2021



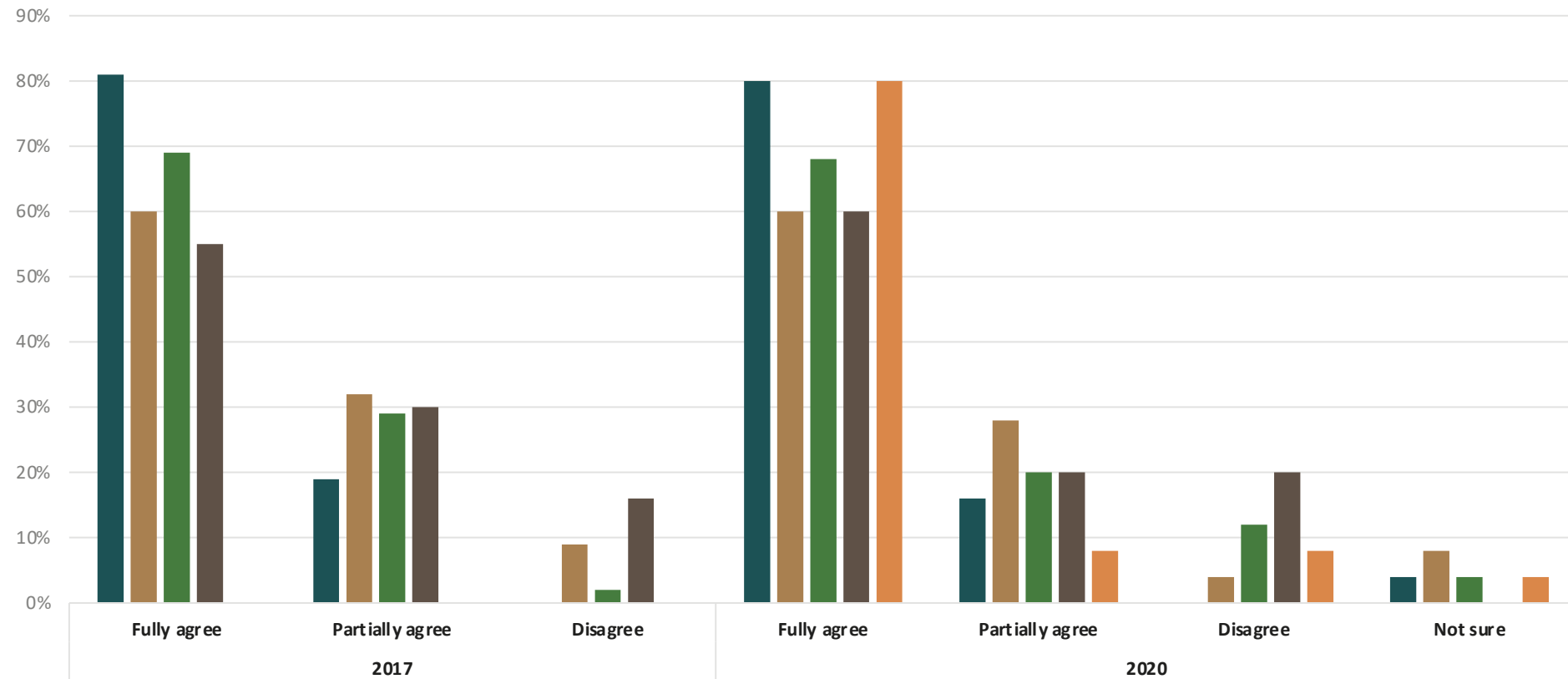
- **700+ interviews with timber importers & traders** as a part of annual standardised surveys in key EU countries + UK between 2017-2021.
- **Interviews with 80+ furniture importers and traders** for the 2018 and 2020 furniture special studies.
- **Interviews with architects** for the 2020 special study on architects' perceptions of FLEGT and use of tropical timber
- **Interviews with finance and investment specialist** for the special studies on FLEGT impact on forest sector investment in 2019 and 2020.
- Annual standardised **interviews with Competent Authorities, associations and Monitoring Organisations.**
- **Direct consultation of 200+ timber imports & traders + other stakeholders** at IMM trade consultations in 2018 /2019
- In VPA partner countries: **interviews with 20-40 companies/year/country + associations, CSOs, government agencies.**

Market advantages for FLEGT-licensed timber - IMM EU trade surveys 2017-2021

Strong evidence that FLEGT Licensing provides advantages in terms of reduced administration, bureaucracy and operators' own risk under EUTR.



FLEGT: Perceptions IMM Indonesia Trade Survey



- FLEGT is helping to improve forest management
- FLEGT is helping to improve governance
- Implementing the VPA and getting SV LK certified has been worth the effort
- Exporting wood has become easier because of FLEGT Licensing
- FLEGT licensing is becoming more important now that more markets are regulated

Source: IMM 2020 and 2017 surveys in Indonesia

2017-2020 EU trade recommendations and concerns

Ensure consistent and effective enforcement of the EUTR to:

- create an immediate market advantage for FLEGT-licensed timber;
- create a level the playing field at European level and;
- address environmental prejudice;
- prevent illegal timber from entering or circulating on the Union market.

Endorsement/promotion of FLEGT-licensed timber including:

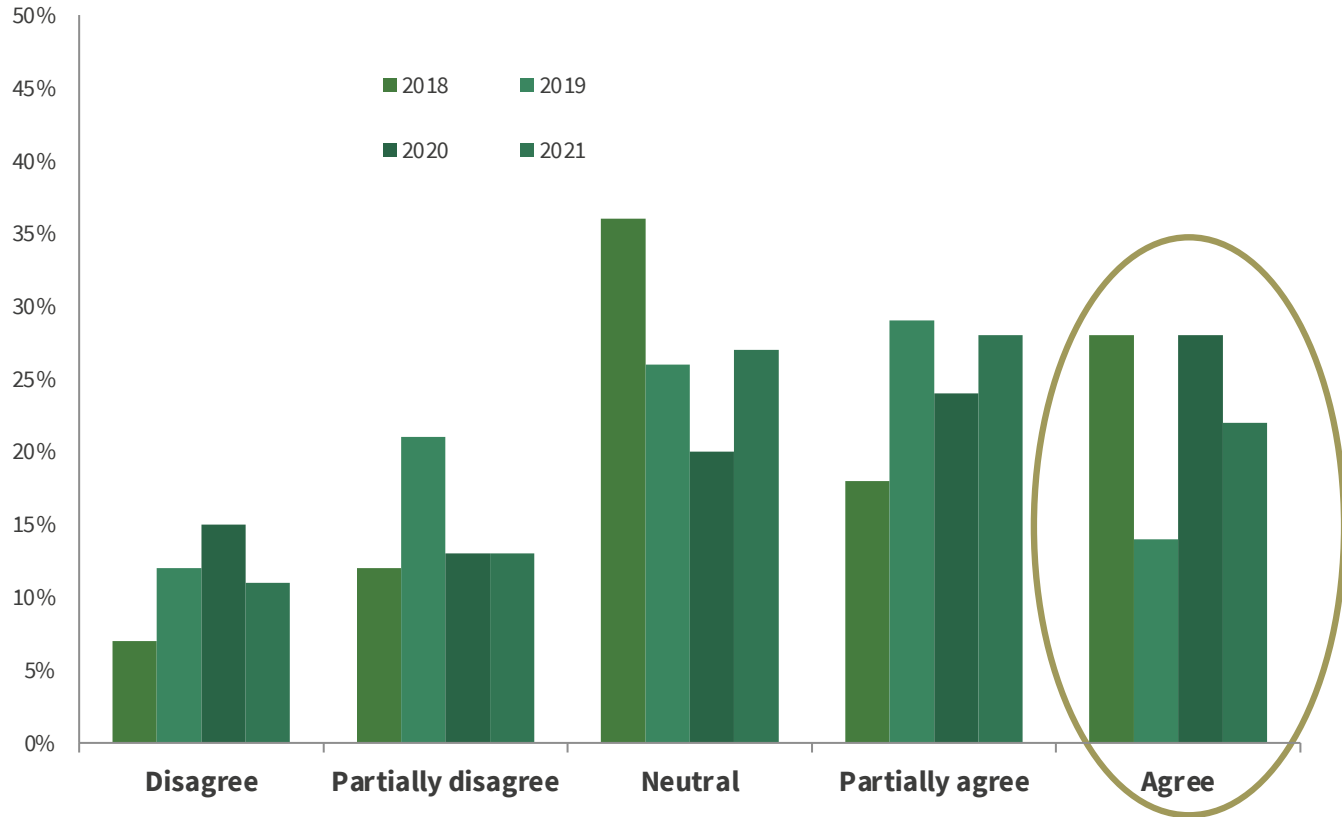
- acceptance of FLEGT-licensed timber on equal footing with certification in public procurement (and actually specifying it for public projects in practice);
- clarification of the status of FLEGT-licensing in the legality/sustainability hierarchy;
- measures to raise awareness;
- preferential treatment for FLEGT-licensed timber in green finance initiatives;
- measures to address environmental prejudice.

Minimize bureaucracy involved in importing FLEGT-licensed timber as much as possible by:

- implementing e-licensing;
- handling application of different HS codes in Europe and Indonesia in an unbureaucratic manner;
- dropping fees for processing FLEGT Licenses (they don't hurt much financially in their current size, but send the wrong signal).

Legality vs Sustainability

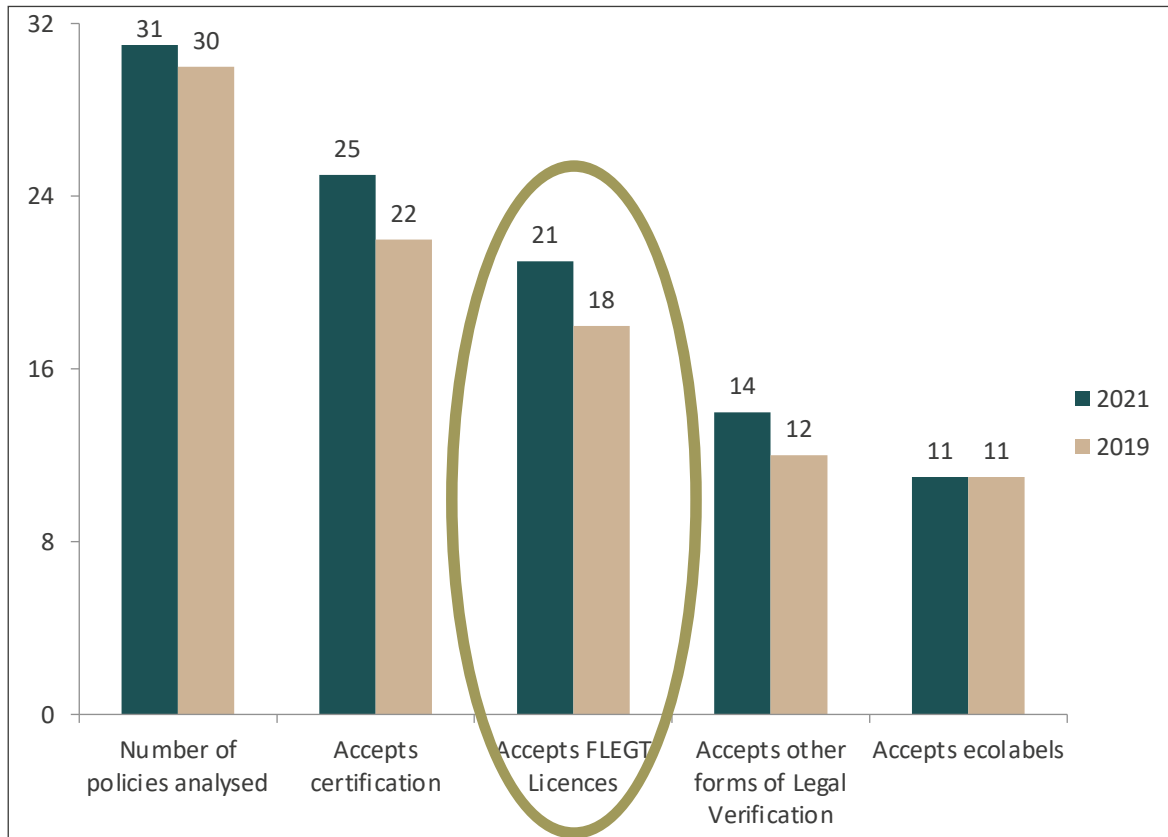
FLEGT only means legal and has nothing to offer in terms of sustainability



- European governments and companies have moved on from “legality” to “sustainability”.
- Level of awareness of wider benefits of VPA implementation is still too low.
- Contributions towards sustainability need to be communicated consistently to relevant target audiences.
- “Legality” is not a concept the trade wants to promote. It is considered a basic requirement rather than an add-on.

Endorsement of FLEGT-licensed timber

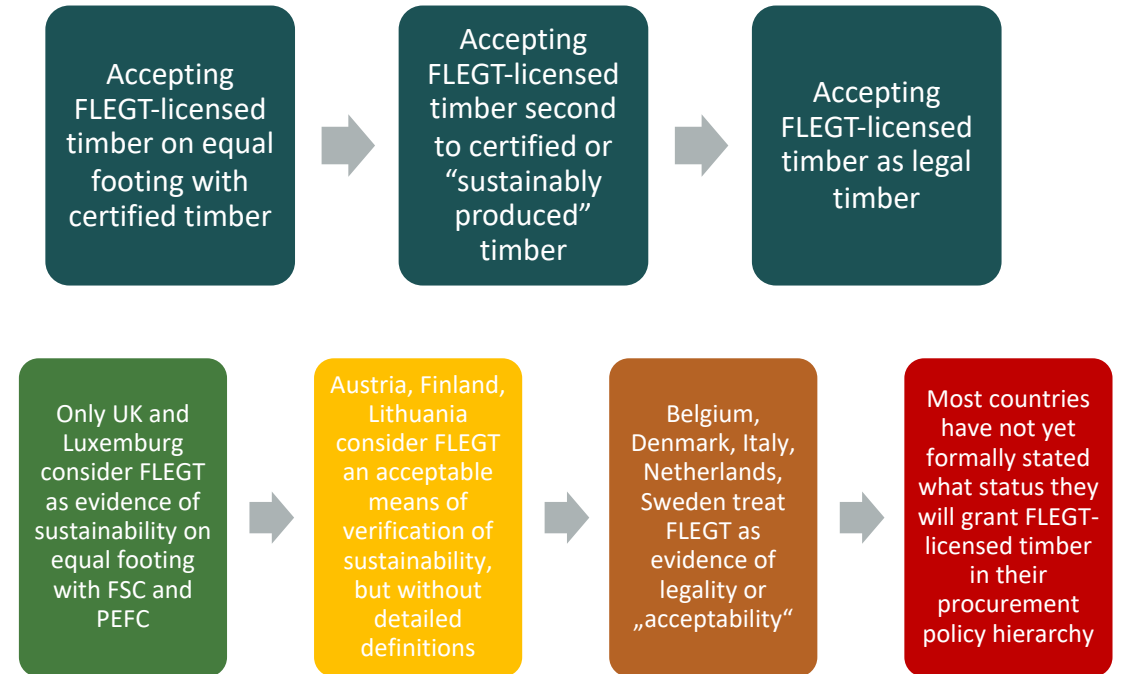
Variations in public procurement policy verification acceptance content across the 27 EU Member States & UK (IMM 2019 & 2021)



In practice, this means:

- that FLEGT-licensed timber is hardly ever specified in public projects
- there is little positive leadership effect that would encourage others (private companies, ecolabels, green building codes...) to include and promote FLEGT-licensed timber as evidence of sustainability

IMM 2021 study identified three different scenarios when it comes to acceptance of FLEGT Licensed timber:



Environmental prejudice & promotional activities

Survey respondents in all key EU countries + UK have flagged up **difficulties in maintaining and developing markets for tropical timber** due to lingering **environmental prejudice**. Currently all FLEGT Licensed and VPA partner timber comes from countries located in the tropics.

“Use it or lose it”

European wood promotion campaigns

- 2019 IMM study on promotion analysed **17 campaigns**, 13 of which have potential scope to promote FLEGT Licensing.
- **5 campaigns made a positive reference to FLEGT Licensing**, but none promotes explicitly
- Two dedicated tropical timber campaigns **STTC + F&P are positive towards FLEGT but focus primarily on FSC and PEFC certified timber**.
- STTC is addressing FLEGT at its annual conferences and counts it as **“evidence of responsible sourcing”** in its reports (below FSC/PEFC in hierarchy, which are called “verified sustainable”)

Timber Trade Federations and FLEGT

- Federations have a **key role as market influencers** and communicators for the timber industry
- IMM study analysed positions on FLEGT of 8 TTFs in key EU countries + UK
- **Positions include:**
 - *Promoting FLEGT as **operating at scale necessary for sustainability** (1)*
 - *Mentioning FLEGT as **evidence of legality and possibly sustainability** (1)*
 - *Promoting **EUTR compliance advantage** (7)*
 - *Promoting **EUTR compliance advantages, though cautious that FLEGT Licences might gain share from certification** (1)*

Dedicated promotion of VPAs and FLEGT-licensed timber in Europe

- UK TTF FLEGT promotion programme including activities such as:
 - design competition **Conversations about Climate Change (2020/2021)**, involving FLEGT-licensed timber and timber from VPA partner countries, including public exhibitions,
 - **Momentto (2019)** architectural design installation involving Indonesian FLEGT-licensed timber,
 - **World of Wood Festival** in November/December 2021.
 - **Tropical Timber Manifesto** calling for global FLEGT.



Promotional activities for FLEGT-licensed timber have been stepped up in the UK since publication of IMM study on promotion of FLEGT-licensed timber in Q1/2019 + Indonesia is launching a communications strategy.

Conclusions

Evidence from trade surveys, trade consultations and special studies suggests that:

Positive

- The green lane for FLEGT-licensed timber is making importing from Indonesia easier for EU operators;
- EU operators value the “zero risk” status of FLEGT-licensed timber and give preference where other commercial product criteria are equal;
- While IMM has not identified any significant FLEGT Licensing related growth in timber and timber product trade between IND and EU, FLEGT Licensing may have contributed to stabilising IND market share in a difficult and competitive environment;
- Indonesian private sector considers FLEGT to improve forest management and governance;
- Indonesian private sector sees an increasing role for SVLK/FLEGT Licensing at a global level due to the growing number of regulated markets.

Conclusions

Evidence from trade surveys, trade consultations and special studies suggests that:

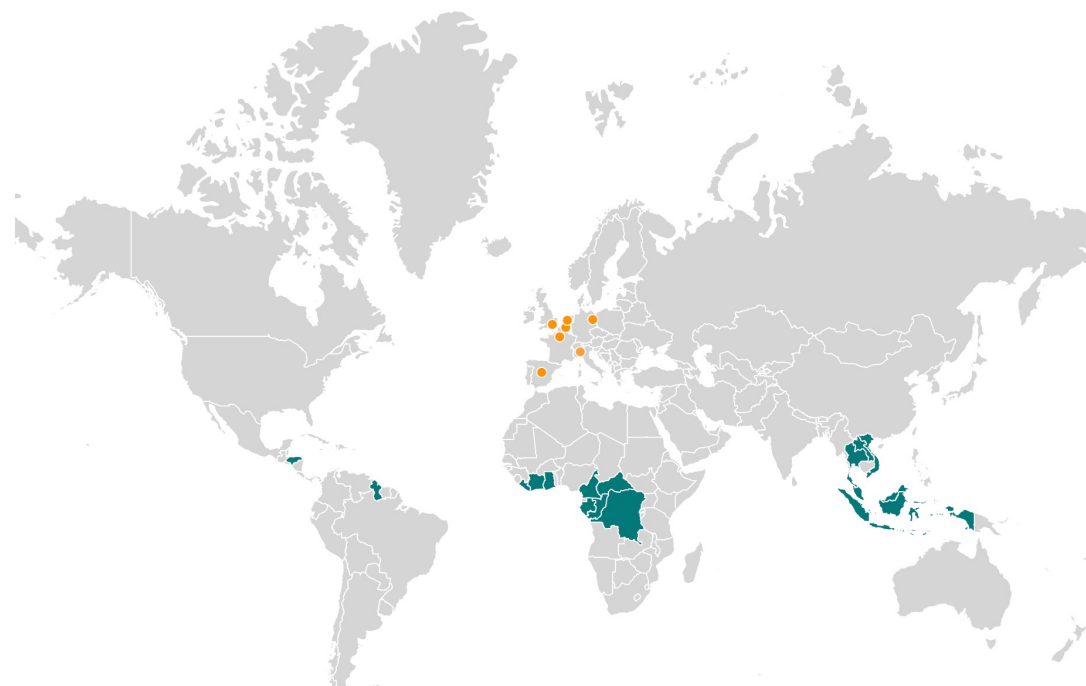
Negative

- Inconsistent messaging and lack of endorsement and promotion has created confusion about the value of FLEGT Licensing and affected market development;
- Inconsistencies in EUTR enforcement may have created loopholes that may have weakened the green lane advantage;
- FLEGT Licensing so far being limited to just one country and a limited number of products has affected market development at various levels (e.g. uptake in procurement policies, green building codes etc, relevance for buyers, general level of awareness).



IMM Priorities in 2022

Contract on IMM between EU and ITTO ends 31 December 2022



- **EU/UK: Survey + stakeholder consultations** to gather feedback on 5 years of experience with FLEGT-licensed timber and recommendations including on VPAs, EUTR + IMM's own work
- **VPA partner countries (Indonesia, Ghana, Viet Nam): Stakeholder consultations** on IMM's work in the last five years and recommendations for future market monitoring.

Key outputs:

- **4 market reports** including trade data, survey results, policy developments and commentary on competitiveness of VPA partner countries.
- **Updates of key EU and VPA partner country profiles** on the IMM website.
- Continuous **news updates** on the IMM website.
- Report on stakeholder consultations with **recommendations for future independent market monitoring**

Thank you

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Independent Market Monitoring of FLEGT-Licensed Timber





Updated Information on Market Access (2020)

ITTO Secretariat

ITTC-57th

29 Nov-3 Dec 2021, Yokohama

Updates of Four major legislative instruments:

- [EU Timber Regulation](#)
- [Lacey Act Amendments](#)
- [Australia Illegal Logging Prohibition Act](#)
- [Japan Clean Wood Act](#)

Attention on developments:

- Republic of Korea
- China
- Viet Nam
- CITES



EUTR



- **Annual EUTR Overview 2019** published in Sept 2020 with key obligations and practical aspects of implementation and enforcement.
- **2 Public Consultations** on EUTR and FLEGT Regulation Fitness Check launched in Sept 2020, for effectiveness, efficiency, coherence, relevance and added value of both regulations.
- **EUTR Country Overviews**, developed by UNEP-WCMC, published for Cameroon, Côte d'Ivoire, Malaysia and Republic of Congo.
- **Notice on withdrawal of UK** from EU published in July 2020: from 2021, imports from UK to EU comply with due diligence obligations.
- **28th FLEGT/EUTR Expert Group** meeting held, updates given on FLEGT VPAs with Côte d'Ivoire, Gabon, Indonesia, Thailand and Viet Nam
- **Multi-Stakeholder Platform** on Protecting and Restoring the World's Forests held 2nd meeting in 2020.

Lacey Act

Phase 6 Implementation



- **USDA-APHIS** (Animal and Plant Health Inspection Service) worked for the **implementation of Phase 6** of the Lacey Act enforcement schedule.
- APHIS published a notice in March 2020, announcing the implementation of Phase 6 was **scheduled** to be effective on **October 1, 2020**.
- However, APHIS announced in August to **delay** implementation of phase 6, in response to stakeholder concerns about operational and economic setbacks caused by the COVID-19 pandemic.
- As a result, stakeholders will not be required to file declarations for products until new notice for implementation date announced.
- APHIS **announced in July 2021** that the implementation of Phase 6 of the Lacey Act enforcement schedule would begin on **October 1, 2021**.
- **Declaration** must contain plant scientific name, value of importation, quantity of the plant, and name of the country from which the plant was taken.

Lacey Act

“de minimis” Exception



- Since 2018, **APHIS** invited **public comment** on the proposed exception to the declaration requirements for products containing a minimal amount of plant material.
- After reviewing all comments received, **APHIS** decided to adopt an option based on **weight**: a threshold of no more than 5 percent of the total weight of the individual product unit.
- **APHIS** published a **final rule** on **Mar 2, 2020**, to establish a “de minimis” exception to the declaration requirement for products that meet criteria.
- The rule went into effect on **April 1, 2020**.



Australian Act

- **Australia Illegal Logging Prohibition Act** came into force in 2013.
- **Australian Department of Agriculture, Water and the Environment** announced in Dec 2020 the initial round of results from a **timber testing program** piloting the use of DNA and chemical isotope for illegal logging compliance.
- The **Department** has published **two new resources** to help importers and processors to understand what is required when establishing a new illegal logging due diligence system.
- The **Department** announce the new and revised **Country Specific Guideline (CSG)** for Chile, and Finland, New Zealand, and Malaysia, to develop documents that clearly describe their forestry laws.



Japan Clean Wood Act

- **Japan Clean Wood Act (CWA)** came into force in May 2017.
- CWA is based on a **voluntary-third party registering system**.
- CWA promotes the use of legally-harvested wood products by creating provisions for companies may **apply to a registration body** (6 bodies in operation)
- Register as a “**Registered Wood-related Business Entity**” to carry out legality checks.
- Registered operators are required to **report annually** on the implementation of measures to ensure legality.
- As of March 2021, more than **500 companies** had completed this registration process.
- The scope of the CWA is expected to be **reviewed and revised** in 2022.

Korean Revised Sustainable Use of Timber Act



- The **Korean Revised Sustainable Use of Timber Act** entered into force in Sept 2017
- The **official implementation** of the revised Act started from 1 October 2019.
- Under the Act, importers are required to file an import **declaration** stating the products are legally sourced.
- Inspected by the Korea Forestry Promotion Institute (**KoFPI**).
- As of 2020, the government developed around **50** Country Specific Guidelines (**CSGs**) providing information of exporting countries.

Chinese Forest Law Amendment



- China Congress adopted **3rd Amendment of Chinese Forest Law** on 28 December 2019.
- The amendment **came into force** on 1 July 2020.
- **Article 65** bans the buying, processing or transporting of illegally sourced timber.
- Government announced **regulations for implementing** the Forest Law included in its plans for legislative work.

Vietnam VPA Agreement with EU



- The Vietnam-EU **VPA agreement** came into force on 1 June 2019. Implementation will take several years.
- A EU-Vietnam **Joint Implementation Committee (JIC) meeting** was held in June 2020 to oversee agreement implementation.
- Issued on 1 Sept 2020 the on the Timber Legality Assurance System (**TLAS) Decree**, effective from 30 Oct 2020.
- Issued **decision** on 27 November 2020 announcing the list of imported timber species, including 322 scientific names of log and sawnwood species.
- Vietnam signs **FTA** with EU, one year after VPA, incentive to implement its VNTLAS.

International Legal Instrument

CITES CoP18 Follow-ups

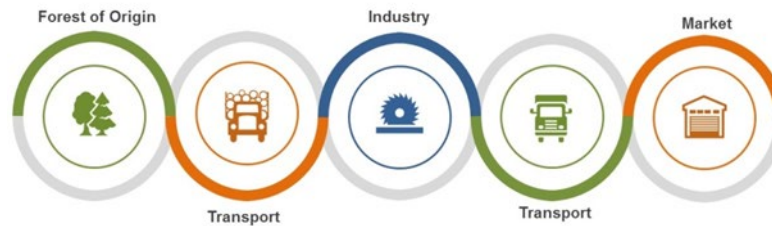


Convention on International Trade in Endangered Species of Wild Fauna and Flora

- CITES CoP18 (held in August 2019) amended **Appendix II listing** of rosewoods and related tree species.
- Broadened **Appendix II** listing of African teak and rosewood as well as Latin American cedar.
- The CITES Secretariat has launched a **dedicated website** in February, 2020 to introduce the CITES Tree Species Programme (CTSP). The **website** is at www.cites-tsp.org.
- The CITES Secretariat and 14 CPF members issued a **joint statement** in Oct 2020 calling for SFM efforts towards a global recovery from pandemic.



Thank You!





Updated Information on Forest & Timber Certification in ITTO Producing Members (2020)

ITTO Secretariat

ITTC-57th

29 Nov-3 Dec 2021, Yokohama



Forest & Timber Certification

- Total certified forest area of ITTO Producing Members as of 2020 (FSC+PEFC):
 - **35.9 Million Ha**
 - **6.6%** of the world total (546 Million Ha)

- Chain of Custody (CoC) certification of ITTO Producing Members as of 2020 (FSC+PEFC):
 - **4,990 certificates**
 - **8.7%** of the world total (52,315 certificates)



Forest & Timber Certification

- Two international certification systems, **FSC** and **PEFC**, continued to be the main schemes being implemented in ITTO producing member countries.
- **PEFC** remained as the largest certification scheme in the world (60%).
- **FSC** accounted more share (near 60%) of certified forests in ITTO producing members.



FSC

Facts & Figures



- **FSC certified forest areas in ITTO producing members:**
 - **21.3** Million Ha
 - **9.6%** of the global FSC certified areas (221.8 mHa)
- **Top 3 ITTO producing members of FSC certified areas:**
 - **Brazil** (7.63m), **Indonesia** (3.13), and **Ro Congo** (2.99, +24%, overtook Gabon)
 - **65%** of total of ITTO producing members



FSC

Facts & Figures



- **FSC CoC in ITTO producing members:**
 - **4,422** certificates, +22.5%
 - **9.88%** of **FSC CoC** (44,751)

- **Top 3 ITTO producing members of FSC CoC:**
 - **Brazil** (1,089), **Vietnam** (1,059, 29%), **India** (1,000, 49%)
 - **71%** of total of ITTO producing members



FSC

Developments in 2020



- FSC **Global Strategy 2021-2026** published in Nov 2020, targeted 300 mHa of FSC-certified area by 2026.
- Added 70 new **members** in 2020, total members over 2300.
- Launched the FSC **Indigenous Foundation**.
- Launched the FSC **Members' Portal**, an online platform for FSC latest news and activities.
- FSC **climate programme** initiate projects to support positive carbon impacts in the forest and supply chains.



PEFC

Facts & Figures



- PEFC certified forest areas in ITTO producing members:
 - **14.57** Million Ha
 - **4.5%** of the global PEFC certified areas (324.6 mHa)
- **5** ITTO producing members have PEFC certified areas:
 - **Malaysia** (5.27m, 21%), **Brazil** (4.26m), **Indonesia** (3.99m), **Gabon** (0.60m), and **India** (0.45m)
- **India** first time achieved PEFC certification



PEFC

Facts & Figures



- **PEFC CoC in ITTO producing members:**
 - **568** certificates
 - **4.6%** of FSC CoC (12,372)

- **Top 3 ITTO producing members of PEFC CoC:**
 - **Malaysia (381), India (38), Indonesia (38)**
 - **80%** of total of ITTO producing members



PEFC

Developments in 2020



- **Vietnam** achieved **PEFC endorsement** of its national systems in 2020.
- **Thailand** achieved endorsement of its national CoC standard.
- **3** ITTO African members, **Gabon, Cameroon, Congo** submitted the regional system 'PAFC Congo Basin', **1st regional system** under assessment with shared forest management standard.

8 National Certification Schemes Endorsed by PEFC as of 2020



- **Brazil:** Brazilian Forest Certification Programme (CERFLOR)
- **Malaysia:** Malaysian Timber Certification Council (MTCC)
- **Indonesia:** Indonesian Forestry Certification Cooperation (IFCC)
- **Gabon:** PAFC Gabon
- **India:** Network for Certification and Conservation of Forests (NCCF)
- **Thailand:** The Federation of Thai Industries (F.T.I.)
- **Cameroon:** Cameroon Association of the Pan African Forestry Certification
- **Vietnam:** Vietnam Forest Certification Office (VFCO)
- Ghana, Guyana, Myanmar (non-endorsed members)



Thank You!

