## Dear Reader,

Welcome to the seventh edition of the TTAP newsletter!

This issue highlights the important developments that are happening around the world and the significant progress that we have made on our supply chain work in 2008. All of this information and more will feed into the TTAP biennial seminar that we will be hosting in Geneva on the 27-28 October, entitled ***"International Timber Trade Federation Day –Responding to Market Requirements"***. We are bringing together approximately 30 international TTFs and 20 private companies at this unique event to discuss the challenges of legality for the timber industry and how best to respond. We look forward to telling you more in future editions!

Whether you are a Timber Trade Federation member, TTAP partner or interested stakeholder, we hope TTAP News will be a useful resource for you. Please feel free to share this newsletter with your colleagues.

The TTAP Team

## About TTAP:

TTAP is an EU-funded project driven and co-funded by the Belgian (FBCIB), Dutch (VVNH) and UK Timber Trade Federation (UK TTF) to assist wood suppliers in tropical countries produce verified legal timber.
We currently advise and support timber companies based in Asia, Africa, and South America as well as engage in timber trade policy initiatives in the European Union.

### Quick Links

www.timbertradeactionplan.info

www.tropicalforesttrust.com

### Consumer Country Partners

FBCIB

UK Timber Trade Federation

VVNH

Le Commerce du Bois

UCBD

FEBO

### Producer Country Partners

Malaysian Timber Council

IFIA

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## Latest News: Netherlands accepts Malaysian FLEGT timber

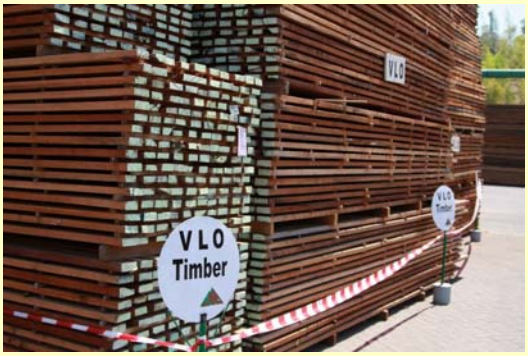
The Dutch government, which is aiming for 100% sustainable procurement by 2010, made a decision in September at the Standing Committee of Housing, Spatial Planning and the Environment to unconditionally accept Malaysian timber licensed under FLEGT for its Public Purchasing Policy. This decision recognises FLEGT licensed timber as a valid option in the absence of sustainable timber. It also means that the Dutch government is officially in full support of the Malaysia-EU FLEGT Voluntary Partnership Agreement (VPA). Dutch local councils have not yet taken this step but have been encouraged by the Malaysian Timber Council (MTC) to follow their government's lead. The MTC will be active in assisting the Malaysian Ministry of Plantation Industries and Commodities (MPIC) to achieve Malaysia's aim to finalise and sign the FLEGT-VPA with the European Union by the end of 2008.

The MTC will also focus its attention to ensure that the European Union's additional legislative measures to ban the import of non-FLEGT timber do not form a *de facto* trade barrier through unnecessarily cumbersome requirements on exporting countries, which may encourage them to either export elsewhere or discourage the European industry from importing tropical timber.

## Latest News - South East Asia: TTAP hosts EFI factory visit in Indonesia

In September, the TTAP Indonesia Team hosted a trip by EFI to visit a factory that is engaged in the TTAP Project. The factory in question has completed the Action Plan and is now awaiting third party verification of its supply chain. This visit enabled EFI to gain a greater understanding of the TTAP process on the ground and has introduced greater transparency into our work.

For more information on how TTAP engages in supply chains, please refer to the last article in this edition.



## Latest News - Europe: UK TTF requires all members to commit to due diligence in 2009

With the European Union last week announcing legislative proposals to make timber traders undertake environmental due diligence on their wood purchases, the decision of the UK TTF last summer to make the same requirement a condition of membership was highly prescient. The UK TTF will now be requiring all its members to commit to and begin environmental due diligence work in 2009.

The decision came after years of debate about whether the UK TTF should force all its members to sign up to its already-prepared due diligence system, the Responsible Purchasing Policy (RPP). The RPP was designed to allow member companies to assess the risk that imported products came from unknown or potentially illegal sources. It required signatories to the policy to determine broadly where the risk was highest by company and product and then undertake further questioning of those higher risk suppliers by means of a standardised questionnaire. Documentary evidence supporting suppliers' answers was also required. At the end of the process, companies were audited and required to implement a plan that would reduce their overall level of risk in the following year. TTAP is used by the UK TTF as a key tool for its members to meet the RPP requirements.

A significant number of TTF members signed up to the RPP but others felt that the system did not fully support their business or their existing due diligence systems. The UK TTF therefore decided after much consultation to require all members to have either the RPP or a robust due diligence system equivalent to the RPP. Due diligence equivalence is based on a detailed set of criteria—the system must be comprehensive, must have director-level support, must include auditing and must have sanctions for non-compliance. The Board of the UK TTF's Environmental Committee was given the task of approving schemes as equivalent to the RPP.

## Latest News - Africa: TTAP field tests Cameroonian legality standard

In September 2008, the TTAP Africa Team, by request of the Cameroonian Ministry for Forestry and Wildlife (MINFOF), undertook a field test of the Cameroonian legality standard at a variety of forest management units to evaluate the practicality and relevance of the standard. Whilst the findings are currently being analysed (results and recommendations will be reported in due course), this work represents an important contribution to the FLEGT discussions between the European Commission and Cameroon to develop a robust yet practical standard for the FLEGT licensing scheme.

The field test was financed by the European Forest Institute (EFI) and European Commission, and was undertaken in cooperation with MINFOF.

## Latest News - China: Chinese TTF's prepare members for Lacey Act & EU legislation

The China Timber Distribution Association (CTDA) and the China National Furniture Association (CNFA) are helping members prepare to meet new EU and U.S. legislative requirements, following the amendment of the U.S. Lacey Act and pending EU legislation—legislation that seeks to prohibit the trade in illegal timber and timber products. On 12 September, CTDA, Forest Trends and TNC hosted a "Briefing Meeting on the U.S. & EU Legislation Relevant to Legal & Sustainable Forest Products" to highlight the issues to over 30 members of CTDA, CNFA and Chinese customs officials. This also provided an opportunity to raise the concerns of the Chinese wood industry to the U.S. lawmakers. Given TFT's work globally and in China, the TTAP Team was invited to present the TTAP project as a practical tool to assist the Chinese industry to achieve legality verification on the ground.

Following this ground breaking event, which demonstrated the Chinese industry's willingness to respond to this challenge, both CTDA and CNFA will attend TTAP's "International Timber Trade Federation Day" on 27-28 October to share their views and experiences with the other 25 TTFs that will participate from around the world.

## Latest News - Brazil: Brazil signs first public forest concession contracts

Brazil has taken a step in the right direction towards the sustainability of some of its national forests through the signing of the first contracts for concessions allocated under the Forest Concession Law (Law 11.284/2006). Since its enactment in March 2006, there has been considerable debate between the government, the timber sector and NGOs as to the law's implementation and ability to alleviate deforestation. However, on 30 September, the Brazilian Forest Service (Serviço Florestal Brasileiro - SFB) signed contracts for three concessions in the Jamari National Forest, Rondônia State. The three concessions, totaling 96,000 hectares out of a total area of 220,000 ha in the national forest, comprise one small, one medium and one large concession of 17,000 ha, 33,000 ha and 46,000 ha, respectively. Under the concession law, each holds the right to manage the concession for a period of 40 years.

The next round of bidding for the 80,000 ha available in the Saracá-Taquera National Forest in the State of Para is forecast for November/ December 2008. In 2009, approximately 4 million hectares has been set aside for concessions that were approved by the Federal Forests Concessions Plan (PAOF) in August 2008. The TTAP team in Brazil has been monitoring these discussions and will continue to do so as observers at the meetings of the Committee for Management of Public Forests (Comitê de Gestão de Florestas Públicas – CGFLOP).

## News in Brief:

- **Pallisco Forest and CIFM factory certified!** On 9 October, Pallisco was awarded an FSC certificate for forest management and Chain of Custody (CoC) for 341,708 ha of its concessions in Cameroon and its CIFM facility was awarded FSC CoC. For more information, please click here…
- **IDESAM (TTAP/TFT partner in Brazil) assists the Juma Reserve to world's first!** In September 2008, the Juma Sustainable Development Reserve in Amazonas State, Brazil became the first ever project to achieve a gold standard from the Standard Climate, Community and Biodiversity Alliance (CCBA). The Juma Reserve was also the first to be certified for avoided deforestation under (Reduced Emissions from Deforestation (RED). For more information, please click here…
- **European Commission presents "Forest Package" to tackle illegal logging and deforestation!** The EC's Forest Package, which was published on 17 October, included a Communication on Deforestation, the FLEGT Implementing Regulation and the proposed Due Diligence Regulation. The latter lays down the obligations required of the timber industry to minimise the risk of illegally harvested timber entering EU markets. Further discussions will be held at the end of October in the Agriculture Council and the first Working Group will convene on 4 November. TTAP urges all stakeholders to engage proactively in the discussion to help inform the Council's decision. For more information, please click here…
- **UNECE European Forest Week, 20–24 October!** The UNECE event in Brussels and Rome aims to raise awareness of the role of forests in addressing key social, economic and political concerns related to issues such as climate change mitigation and many others. For more information, please click here….
- **Rougier increases forest area under SFM!** Rougier Gabon has just obtained an FSC certificate for three of its forests managed in Gabon. This brings Rougier's total concession area under FSC certification to 688,262 ha and is a significant step towards the company's goal to certify 100% of its concessions by 2010. For more information, please click here…

## Company Information: How TTAP works on supply chains

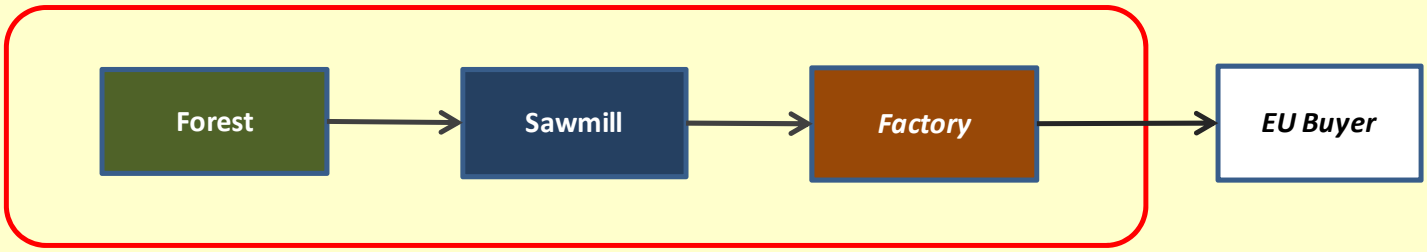



Fig 1: Example of a TTAP supply chain – each box represents a "node."

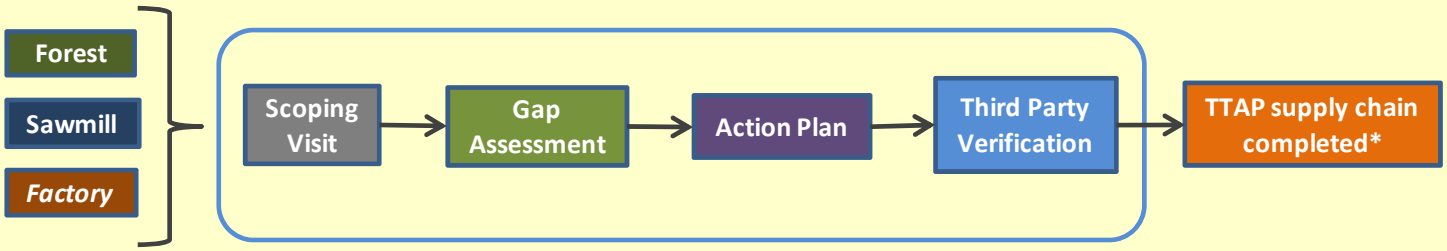



Fig 2: Flow diagram of how TTAP works on each node of the engaged supply chain.

*A supply chain is only deemed completed when each and every node in the supply chain has achieved third party verification.

| Company Information: | TTAP 1 & 2 progress |
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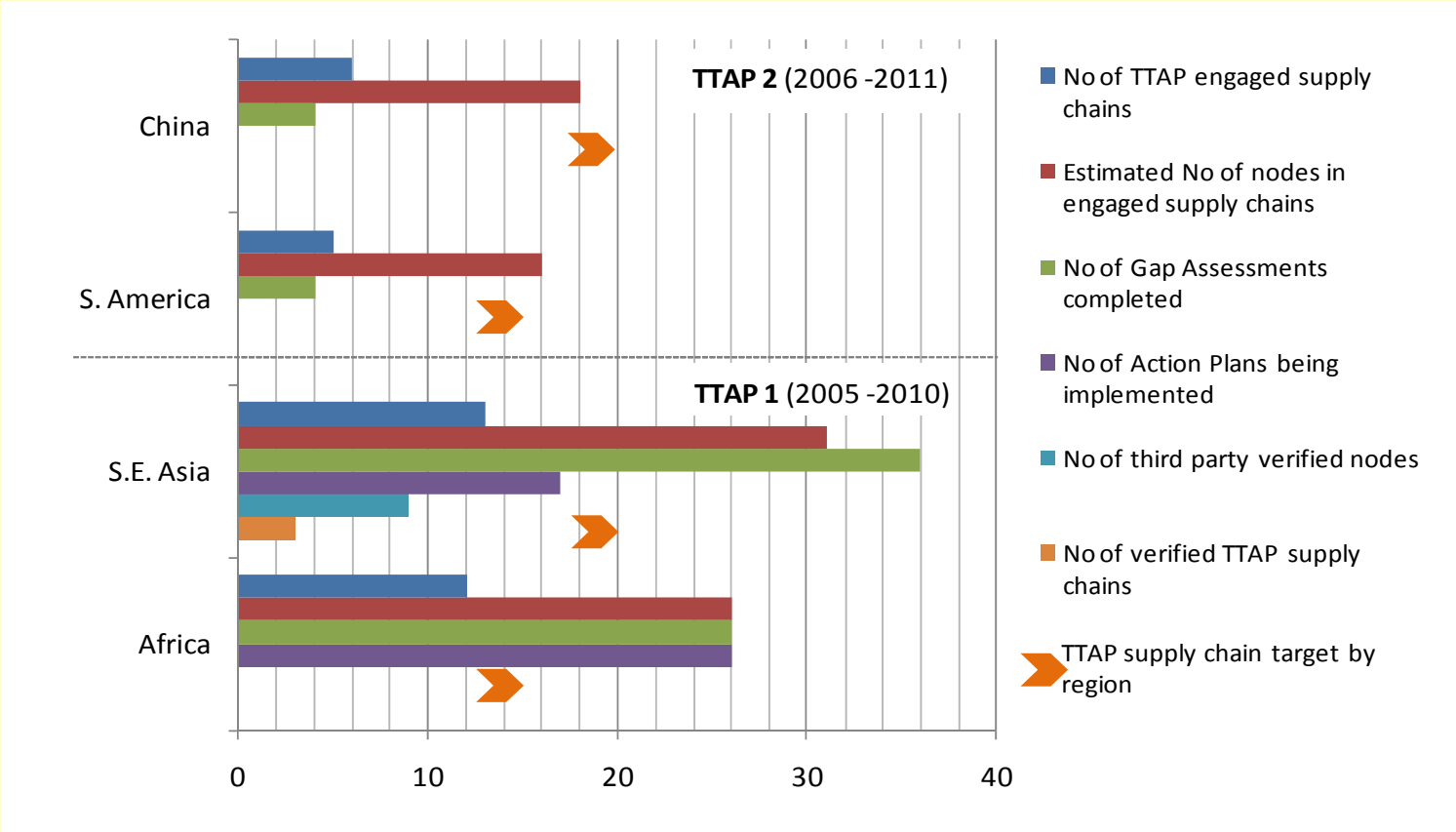


This diagram represents TTAP 1 & 2 progress to date (October 2008). The colours relate to the stage of TTAP's work on the supply chain described in Figure 2 above.

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