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Three Verified Legal Origin Certificates issued in Indonesia in a TFT Member Supply Chain!

JAKARTA (8 April 2009): Two Tropical Forest Trust (TFT) supported forest projects and one factory have been issued certificates of Verified Legal Origin (VLO) by the Rainforest Alliance's SmartWood program. Linked together in a supply chain, the achievement means that wooden furniture, carrying a 'Verified Legal Origin' Statement can be exported to the USA. Such verification helps to provide assurance to consumers and companies alike, that their product is not linked with forest destruction from illegal harvesting.

This recently 'verified legal' supply chain connects two forests and a factory in Indonesia through to **Crate and Barrel**, a large retailer in the USA. The forest sources are **Perhutani's Randublatung District**, a state-owned forest plantation, producing teak and mahogany and **Kostajasa**, a cooperative of farmers that produce predominantly mahogany logs. Both forest enterprises have been working with the TFT for a number of years to improve forest practices towards achieving Forest Stewardship Council (FSC) certification. In the factory, TFT has helped to develop a robust wood control system and monitor production to ensure only wood from known, approved sources enters the supply chain.

"Achieving VLO certification in the interim period, while progressing towards Forest Stewardship Council (FSC) certification, is a definitive way to show progress in improved practices, meet the tightening market requirements (driven by US Lacey Act and EU FLEGT) and satisfy consumer scrutiny", said Hartono Prabowo, TFT Manager in Indonesia.

This verification project was one of the activities supported under the US-Indonesia MOU on Combating Illegal Logging. Funding was provided through the US Agency for International Development (USAID) Regional Development Mission Asia's "*Responsible Asia Forestry & Trade*" (RAFT) program. The RAFT Program, managed by The Nature Conservancy, supported this project because of its ability to 'demonstrate showcase examples of the export of verifiably legal wood products from Indonesia directly to the USA.'

"One important benefit [of VLO] is that it's made the Kostajasa administration system become well ordered. Also, by getting the VLO certificate, Kostajasa and the Kebumen district will have recognition internationally," said Sunarto FM, the Head of Kostajasa Cooperative. Mei Isnadi, a field staff of Kostajasa, followed on saying "Through the VLO process, our wood administration is better and Chain of Custody implementation has become easier."

Commenting on the impact of achieving VLO certification in the factory, Agus Setyabudi SH, Division Head commented that "...in general VLO will have a positive impact on corporate performance, for both internal and external business, and a good relationship with Government and Buyers."

With the amendments to the US Lacey Act in 2008, companies trading or importing wood products to the USA are under increased scrutiny to ensure they know the origin of wood and take responsibility to ensure it was harvested, bought and sold in compliance with all relevant laws. This pilot project demonstrates one technique for verifying wood origin and ensuring basic legality requirements throughout the supply chain have been met.

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Linking business with responsible forest management

About the Tropical Forest Trust:

TFT has been working since 1999, to eliminate illegal wood from supply chains worldwide and replace it with wood coming from an FSC certified forest source, or from a TFT-supported forest that is making progress towards FSC certification. TFT also manages the Timber Trade Action Plan project on behalf of a number of European Timber Trade Federations, which works with forest producers throughout the tropics to implement legality systems and prepare for upcoming legislation focused on eliminating the import of illegal wood to the EU. (www.tropicalforesttrust.org; www.timbertradeactionplan.info)

About the Responsible Asia Forestry & Trade Program (RAFT):

RAFT is a five-year program, funded by the U.S. Agency for International Development (USAID) Regional Development Mission/Asia in Bangkok, Thailand. RAFT is implemented by a partnership led by The Nature Conservancy and includes the World Conservation Union (IUCN), the World Wide Fund for Nature (WWF), the Tropical Forest Trust (TFT), the Tropical Forest Foundation (TFF), the Regional Community Forestry Training Centre (RECOFTC), and a wide range of government agencies and commercial enterprises. RAFT operates in the countries of Cambodia, China, Indonesia, Lao, Malaysia, Papua New Guinea, and Vietnam (www.raftprogram.org).

The goal of the RAFT program is to improve both the quality and extent of sustainable management of forest resources and biodiversity to support a reduction in carbon dioxide emissions to the atmosphere from deforestation and forest degradation.

About the Rainforest Alliance's SmartWood program and Verified Legal Origin Standard:

The Rainforest Alliance is accredited by the FSC, and has certified more than 52 million hectares of forestland and 2,820 operations in over 60 countries around the world. SmartWood has developed a Verified Legal Origin (VLO) standard which is used to assess and verify that timber producers have a documented legal right to harvest under the laws and regulations of the applicable jurisdiction and that all points along the defined supply chain utilizing the forest product maintain systems to document and control the chain of custody. (http://www.rainforest-alliance.org/forestry/documents/vlo_standard.pdf)