
Summary of an industry workshop, 14–15 October 2008, Ho Chi Minh City

March 2009
That was the main message conveyed at a forest industry workshop held in Ho Chi Minh City, Vietnam, on 14–15 October 2008. Attended by almost 70 representatives from the private sector, government, and international donors and non-governmental organisations, the meeting was organised by IUCN with financial and logistical support from the Ministry of Agriculture and Rural Development (MARD), Netherlands Development Organisation (SNV), Forest Sector Support Partnership (FSSP), Vietnam Chamber of Commerce & Industry (VCCI) and Vietnam Forest & Trade Network (VFTN).

Trương Thanh, one of Vietnam’s leading furniture manufacturers and exporters, kindly organised a visit for participants to its factory outside Ho Chi Minh City.

So how can Vietnam respond?

As an important exporter of wooden furniture, Vietnam will be affected by these market trends. The country is actively involved in regional initiatives to tackle illegal logging and its associated trade, and has been exploring cooperation with the European Union under the Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan (ec.europa.eu/environment/forests/flegt.htm).

A range of market and policy instruments is available to Vietnam to use in guaranteeing the legality of its exports. These range from purely market-based solutions, such as voluntary legal verification and certification, to legally binding instruments such as the Voluntary Partnership Agreements (VPAs) being negotiated by timber-producing countries under the FLEGT Action Plan.

As a major timber importer and processor (it imports 80% of its timber needs), Vietnam requires a different approach from timber producers. And although some 160 chain-of-custody (CoC) certificates have been issued to Vietnamese manufacturers and retailers, workshop participants were clear that much greater efforts are needed to prepare for new market regimes.

Participants discussed a range of measures for responding to these changes, a selection of which is presented opposite.

“European and American consumer markets for legal and sustainable timber products are growing, and exporting countries will be expected to provide evidence that the timber they use has been legally harvested”

“Voluntary legal verification programmes can be used where certified wood is not available or while VPA negotiations are ongoing”

— Mr Bruce Telfer, SGS

www.forestry.sgs.com

“Legality and sustainability do not always mean the same thing, but legality is a good step towards sustainability because it creates the conditions for more responsible production, especially by small and medium forest-based enterprises”

— Mr Tran Kim Long, Ministry of Agriculture and Rural Development (MARD)

www.mard.gov.vn
“Truong Thanh owns 10,000 hectares of forests certified by the Forest Stewardship Council (FSC). We have implemented CoC controls in our factories, formulated a timber sourcing policy and financed a woodworking training and development centre. But problems remain. Qualified personnel who can maintain CoC systems are scarce. It is hard to meet customer expectations for price and quality if products must also be FSC-certified. Plus it is difficult to acquire land in Vietnam for plantations, and hard to obtain bank loans.”

— Mr Vo Truong Thanh, Truong Thanh Group

Next steps for Vietnam

**Internationally**
- Formulate national criteria for what is “legal” and identify the most appropriate tools for determining sources and setting standards for timber imports, production, and environmental and social responsibility. These criteria should meet consumer country and international market requirements, and should be formalized in law.
- Increase collaboration and efficiency in the wood products industry to strengthen its international market competitiveness.
- Provide support for trade promotion by the wood products industry through government and Vifores, the Vietnamese Timber and Forest Products Association (www.vietfores.org/introduction/index.php).

**Nationally**
- Create a new forest industry unit under government to support and oversee the development of Vietnam’s domestic certified forest resources and wood products industry.
- Increase the incentives for industry to comply with new forest and trade legislation.
- Link the development of forest management schemes to new Reducing Emissions from Deforestation and Degradation (REDD) schemes (www.iucn.org/what/issues/climate/).
- Recognize and promote the importance of smallholder forest resources to domestic timber supply and production.
- Share information and build understanding of certification and legality verification with the wood products industry through Vifores.
- Develop a product identification strategy for the industry to use in elaborating its business and marketing plans.

Next steps for the international community
- Build international markets for licensed and certified wood products.
- Provide technical support and share information.
- Become actively involved in national working groups on sustainable forest management, wood processing and trade development.
- Provide support for developing local chain-of-custody systems.
- Provide essential third-party monitoring and enforcement support and expertise to Vietnam.

Conclusions
Under the East Asia FLEG Ministerial Declaration of 2001, Vietnam has committed itself to tackling the export and import of illegal timber. Over the coming years, meeting this commitment will mean exploring various FLEGT-related issues, including defining legality, supporting certification and verification by industry, building the capacity of government and the private sector, involving civil society in decision making, assessing the costs and benefits to local communities, and integrating sustainable livelihoods with conservation and biodiversity rights.

All of these efforts will help to ensure Vietnam’s continued successful participation in the world’s legal and sustainable wood products markets.

All presentations and a full list of participants from the workshop are available online from IUCN Vietnam (www.iucn.org.vn)