

Webinar on Forest Certification by NCCF

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Forest Certification: Industry Perspective

By:

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How Forest Certification Works

**Goal:
Forest Conservation**

Set of Rules (Standards):

***For Forest
***For Processors

To manage
rules

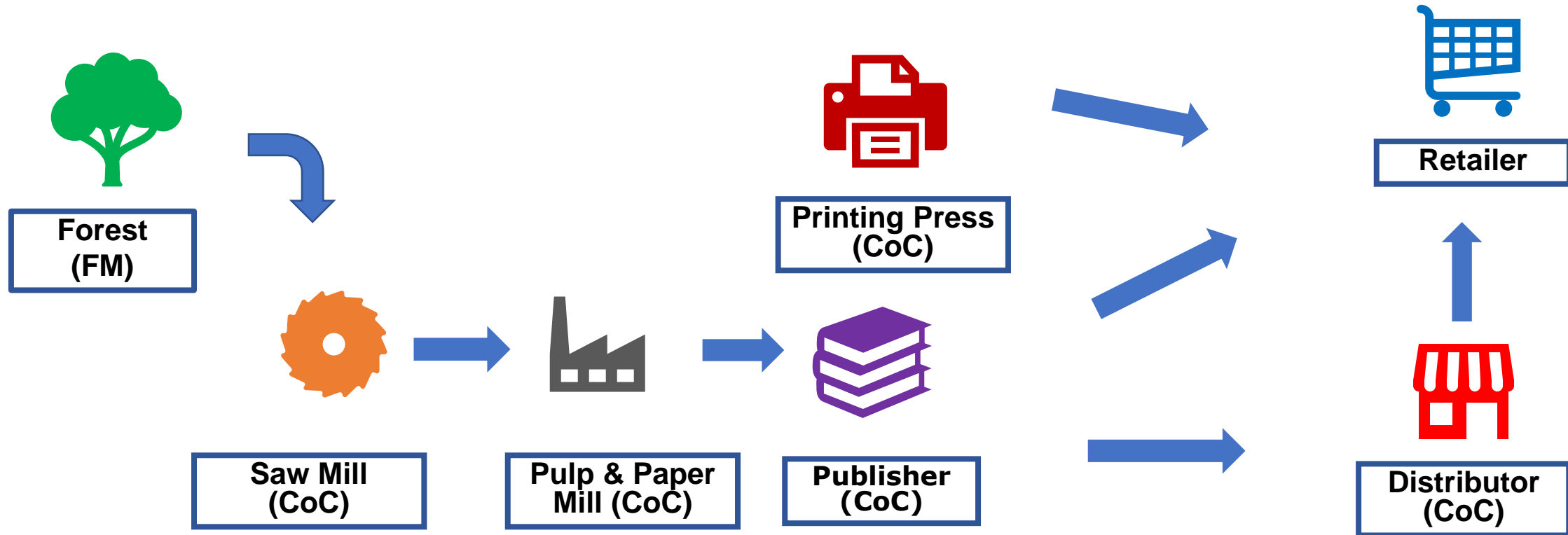
**Independent
Third party Certifier
(TPC)**

**Chain -of-Custody
(CoC)
for processors**

**Forest Management (FM) for
Forest/farm owners**

Forest Certification : A tool for linking consumers and producers

From forest to consumer, including all successive stages of processing, transformation, manufacturing and distribution



- ✓ Identify/certify well managed forests
- ✓ Establish linkages in the production chain
- ✓ Create recognizable label
- ✓ Enable consumers to support responsible practices

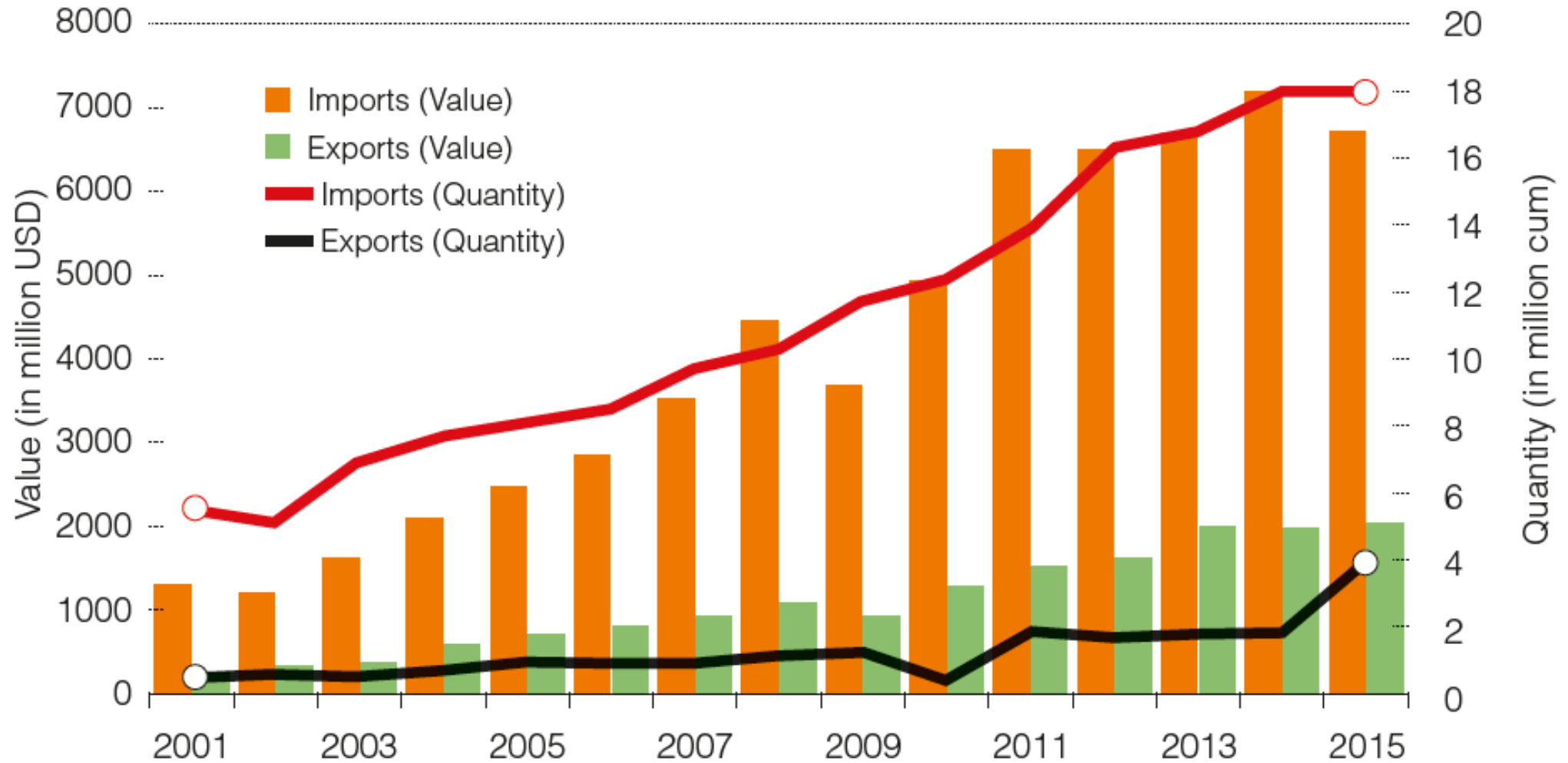
Industrial Trend towards Certification

- ✓ Increasing Y-o-Y demand for certified products
- ✓ Industries trying to source certified raw material
- ✓ Sustainability commitments of organisations
- ✓ Future sourcing plans to have increased raw material from sustainably procured, certified sources
- ✓ Industry is ready to support sustainably procured, certified raw material:
 - Financial, technical, technological, training & capacity building support
 - Buy back models, other PPP models

Challenges faced by Industries:

- ✓ Demand-Supply Gap in procuring certified raw material
- ✓ Pressure of sustainability tends to increase use certified raw material

Trends of Timber Trade in India



Source: International Trade Center/UN COMTRADE, 2016

Potential to embrace certification not only for exports but also for domestic timber market

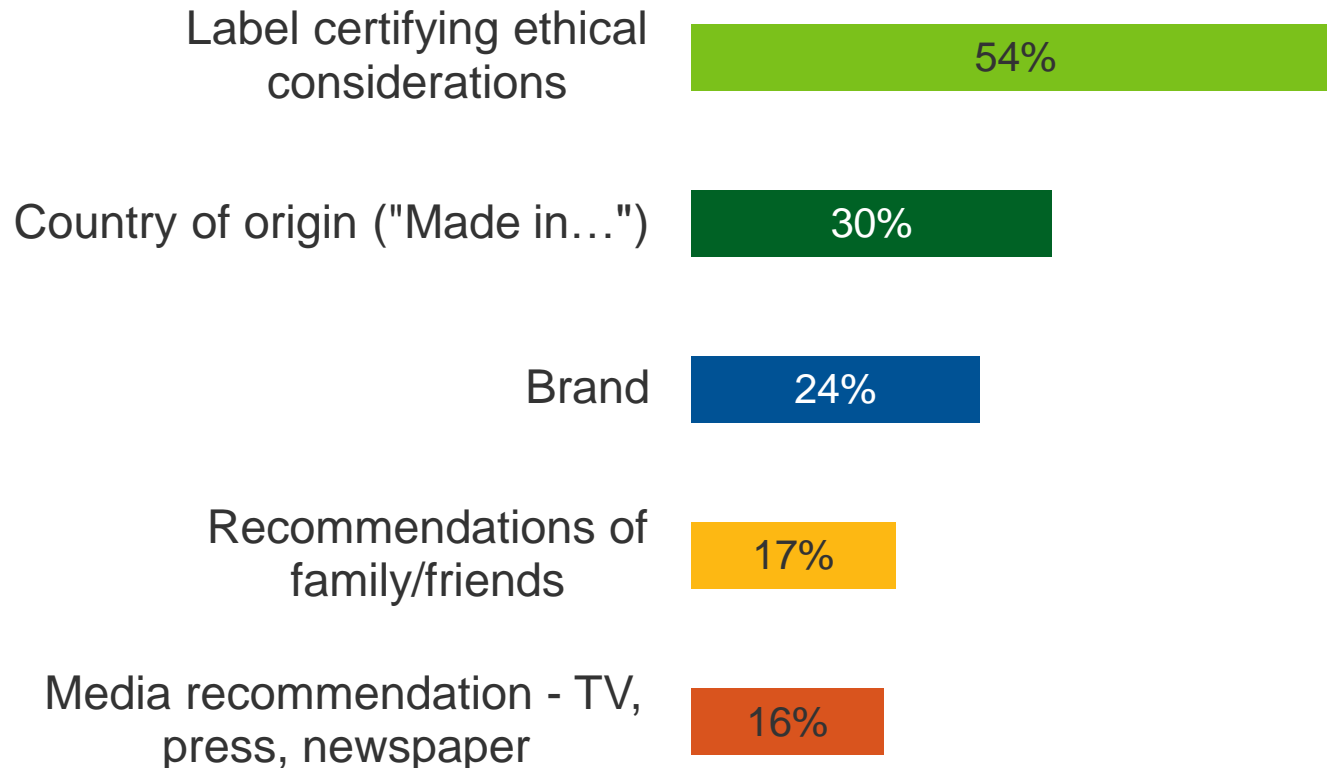


- ✓ **Timber imports to India:** USD 441 mn
- ✓ **Furniture imports to India:** USD 602 mn
- ✓ **Furniture exports from India:** USD 807 mn
- ✓ **Employment potential:** more than 11.29 million employees by 2022*
- ✓ India is a **global timber importing** country as well as **furniture exporting** country
- ✓ India's **furniture clusters** are currently operating at **25-30% capacity** due to **less raw material**

Value chains needs to be strengthened to increase availability
of timber in logistics, infrastructure etc.

Market Demand: Consumers request certification

What reassures you most that environmental considerations have been taken into account?



Source: PEFC/GfK Global Consumer Survey (Nov 2014)



Forest Certification in Bhamragarh Forest Division, Maharashtra

- ✓ 367731.68 ha certified by support of BILT Industries in December 2012
- ✓ BILT purchased certified bamboo from the forest and pay premium on per tonne bases
- ✓ BILT also helped Forest department in documentation and preparation work certification activities
- ✓ Certification benefited forest department and as well local communities in Bhamragarh in numerous ways



Industry Case Study : ITC Ltd.

- ✓ ITC Ltd. is committed towards SFM/responsible forestry
- ✓ **41000 ha** FM certified under group certification, 33500 farmers
- ✓ **~1 lac MT** FM certified wood
- ✓ **~15 lac** CW wood
- ✓ Major supply of paperboard for packaging, supplied to Tetrapak

Addressing the demand for certified wood material

✓ Identifying and addressing sector specific requirements:

- Pulp & Paper
- Furniture
- Textile
- Plywood
- Packaging, etc.

✓ International MNCs/Retailers like **IKEA, Otto, H&M, Walmart, Target, Unilever,** etc. are searching for certified raw material in India

The logo for H&M, featuring the letters 'H&M' in a stylized, red, cursive font.The OTTO logo, featuring the word 'OTTO' in a bold, red, sans-serif font.The Unilever logo, which includes a blue crest with intricate floral patterns above the word 'Unilever' in a blue, serif font.The Walmart logo, consisting of the word 'Walmart' in a blue, sans-serif font followed by a yellow six-pointed starburst symbol.

Way Forward

- ✓ Till now market was only for export which is only about 5-10%
- ✓ We need to create domestic market for certified products
- ✓ Domestic demand for certified material will increase
- ✓ Trees on farmlands will also be eligible for certification
- ✓ Certification has to no longer be export oriented

Thank You!!

Network for Certification and Conservation of Forests

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