

IMPACT SHEET • SWITCH-ASIA PROJECT
SUSTAINABLE RATTAN INDUSTRIES

ESTABLISHING A SUSTAINABLE PRODUCTION SYSTEM FOR RATTAN PRODUCTS IN CAMBODIA, LAOS, AND VIETNAM



THE SWITCH-ASIA PROJECT SUSTAINABLE RATTAN INDUSTRIES IS CREATING A SHIFT TOWARDS SUSTAINABLE PRACTICES AMONG HARVESTERS, WEAVERS AND PROCESSORS IN THE RATTAN INDUSTRIES, AS WELL AS PROMOTING EXPORTS TO THE WEST



THE CHALLENGE

The harvesting and pre-processing of rattan in Laos, Cambodia and Vietnam is unsustainable and wasteful. The processing industry is over-exploiting the rattan plant, has little environmental awareness, and is currently responsible for pollution, health risks to its workers, and poor competitiveness on the global market. However, villages rely heavily on this resource for their livelihoods. The main issues include:

- Unsustainable harvesting – leading to forest degradation
- Wastage – up to 55% of harvested material wasted in the supply chain
- Pollution – highly toxic substances used in processing causing problems in the air, water, soil and human health
- Unreliable and illegal trade – non-registered producers are under-cutting legitimate traders
- Low quality – over 90% of finished rattan products from Cambodia and Lao PDR do not comply with product quality standards and lack licenses

OBJECTIVE

The project aims to boost the export of sustainable rattan products and improve the environmental performance of the processing industry. By 2015, the project envisions that at least 50% of rattan processing in the region will be sustainable, leading to environmental improvements, strengthened competitiveness, poverty alleviation and national economic benefits. The specific objectives are:

- At least 40% of targeted small and medium-sized enterprises (SMEs) in the Cambodia, Laos and Vietnam supply chains are actively engaged in ‘cleaner production’ of rattan products;
- At least 15% of targeted processing SMEs are providing sustainable products to European and other markets, thus delivering a measurable improvement of this sector’s environmental performance.

TARGET GROUPS



Target groups are:

- 150 SMEs processing rattan
- 3 000 villagers directly involved in pre-processing rattan
- 10 European and other international retailers starting to purchase credibly certified rattan products
- National Ministries of Agriculture, Forestry, Environment, Finance, Trade, Commerce and their local branches

ACTIVITIES / STRATEGY

The *Sustainable Rattan Industries* project involves all actors of the rattan supply chain, from village producer groups to traders, processors and buyers.

The first category of activities includes capacity building in response to the individual needs of each supply chain group. At the village level, training sessions for pre-processors (harvesters and weavers) focus on the development and implementation of sustainable management and harvesting systems. The priority is on FSC (Forest Stewardship Council) certification and improving the efficiency and added value of processing. At the level of rattan processors, the focus is on cleaner production, more efficient use of the raw material, compliance with international product quality standards, and ultimately strengthened competitiveness of the sector.

The second category of activities aims at fostering market links with national and international buyers. Processors are trained in sustainable design and attend international trade fairs. There are also direct matchmaking activities with international retailers.

The third category of activities targets local and national policy-makers to improve the policy framework for better rattan forest ownership and easier export.

The fourth and final category of activities focuses on communications. Specific messages for each target group are developed and media campaigns implemented.

Villager



Trader



Pre-processor



Processor



Trade/
retailer

Actors along rattan product chain

REPLICATION STRATEGY



ALIGN WITH INTERNATIONAL STANDARDS

Part of the replication strategy relies on the adoption, by all in the rattan supply chain, of international ‘sustainability’ standards – to ensure product quality for exports and to build confidence amongst the buyers. The project focussed on different standards in each country, according to their unique strengths and potential for partnerships. In Cambodia, the Rattan Association of Cambodia (RAC) was established in 2009 and became a provisional member of the World Fair Trade Organization (WFTO) in 2011. In Lao PDR, the world premier of rattan Forest Stewardship Council (FSC) Chain of Custody (CoC) certification was achieved. In Vietnam, rattan companies signed Memoranda of Understanding with local communities, which included clear activities and roadmaps for cleaner production. The main ingredients for successful alignment with international standards have been the careful assessment and selection of actors in the supply chain, building trust among them, and partnering for effective capacity building.



ENGAGE SYSTEMATICALLY WITH BUYERS

International buyers were engaged by raising their awareness about rattan, deforestation and certification. Rattan producers participated at international trade fairs and more than 100 retailers showed interest in their products. Selected retailers were introduced directly to rattan producers during study tours.



Capacity building of all actors in the rattan supply chain, enabling the development of trust as well as the market pull approach were keys to our success. So far, the demand from international retailers by far exceeds the supply of certified rattan products in the region.

*Sabine Gisch-Boie,
Project Manager, WWF Austria*

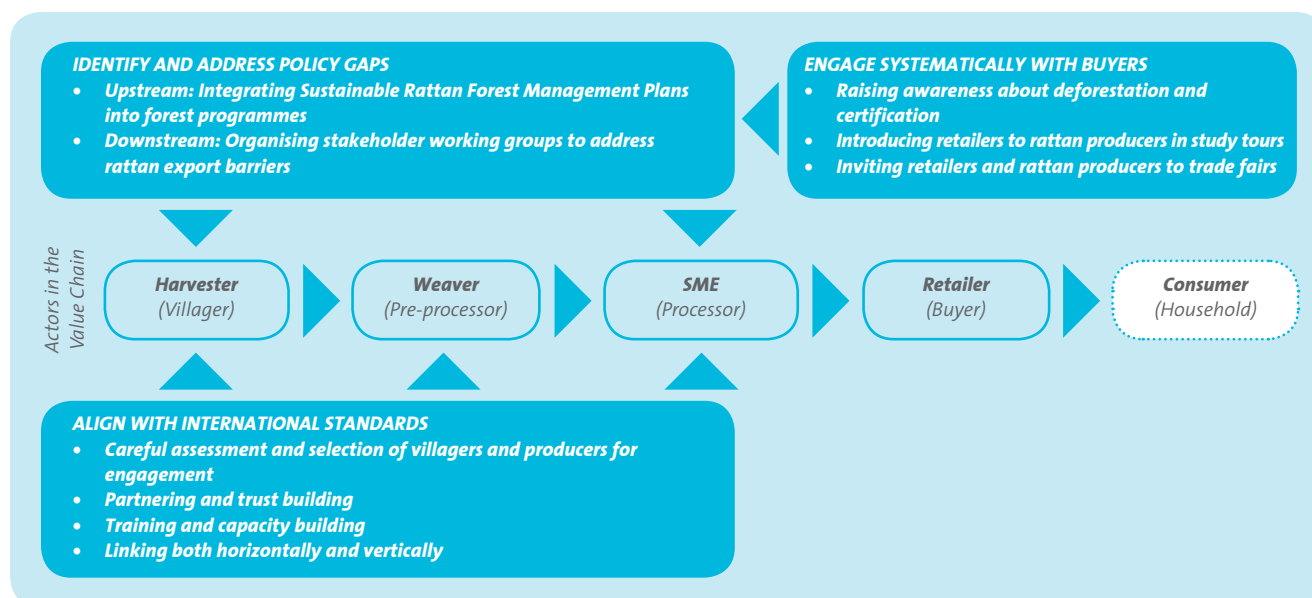
We are very proud of having achieved the worldwide first FSC and CoC certification. The project will continue with the support of Ikea for another three years in order to expand sustainable rattan production.

*Thibault Ledecq,
Regional Project Manager, WWF Greater Mekong*



IDENTIFY AND ADDRESS POLICY GAPS

The project engaged with various ministries and set up stakeholder meetings to prepare policy recommendations for the easy export of rattan products and the development of Sustainable Rattan Forest Management Plans.



Replication strategies of the Sustainable Rattan Industries Project

RESULTS

The project engaged with complete supply chains in all three countries.



TRAINING AND CAPACITY BUILDING

Training and capacity building activities were undertaken in partnership with business intermediaries such as the cleaner product centres. In total, 220 SMEs were introduced to cleaner production processes and 120 SMEs applied them, including: reducing diesel (by minimum 50%), chemicals (by minimum 20%), solid waste (by 5-25 %) and electricity (by 5-10%). This also improved the working conditions of 750 workers in the sector. Nine newer cleaner production techniques were developed specifically for rattan.

Pre-processors in 100 villages were engaged in responsible forest management and those in 5 774 households improved their production skills.

The Lao National Chamber of Commerce, the Rattan Association of Cambodia, and the Department of Agriculture and Rural Development (Vietnam), also built capacity for supporting the sector, which will continue beyond the project period.

The Rattan Association of Cambodia was set up with eight SMEs as core members, to act as the main rattan industry driver in Cambodia. The Lao National Chamber of Commerce developed SME Rattan Export and Production Guidelines also for use beyond the project period.



Networking with international organisations is also helping to replicate and mainstream best practices of the project.



INTERNATIONAL STANDARDS IN PLACE

There are 19 000 ha under responsible forest management. Thirty-eight SMEs were introduced to international market requirements and improved their production capacity, design and business management skills. In Lao PDR, with the world premier of rattan FSC CoC certification, 1 142 ha of forest were certified. Two SMEs received CoC certificates and seven were trained to become CoC certified in 2012. The Rattan Association of Cambodia acquired WFTO membership.



MARKET LINKS ESTABLISHED

SMEs source rattan from responsibly managed forests and have signed supply contracts with 60 villages. Twelve contracts with international retailers were signed and a further 46 are being drawn up. Through these efforts, 22 000 villagers have increased their income by 5-45%.



POLICY ENGAGEMENT

A quota system for harvesting rattan, based on sustainable management practices was reviewed in Lao and Cambodia. In Vietnam, Decision No. 11 of the Prime Minister referring to implementation guidelines were developed and piloted in Hue Province. Policy-makers from all three countries learned about rattan policies during a study tour to Malaysia and identified policy gaps in their own countries. Another policy study tour took Vietnamese representatives to Laos and focussed on how to apply FSC certification.



This project has given me the chance to attend trainings, a trade fair in Germany, to learn about forest management, and cleaner production techniques. This project brought me close to the local communities for whom I have now started vocational classes. I realized the importance for having a tracking system for the sources of rattan in place. Cleaner production provides clear benefits to our company: we save around US\$ 7 000 a year.

Mr Thien,
Au Co company, Vietnam



IMPACT IN NUMBERS

ECONOMIC IMPACT



- 12 contracts with international retailers were signed and 46 are being drawn up.
- 38 SMEs started to switch their production system in consideration of environmental and social standards
- 2 SMEs received CoC certificates and 7 SMES were trained on CoC to become CoC certified in 2012
- 22 000 villagers have increased their income by 5-45%.

ENVIRONMENTAL IMPACT



- Worldwide first FSC certified rattan: 1 142 ha of forest certified
- 19 000 ha under responsible forest management and harvest of 1 140 t of FSC certified rattan expected
- 120 SMEs applying cleaner production techniques and saving diesel oil, chemicals, solid waste, electricity and gas
- 9 new cleaner production techniques developed specifically for rattan

SOCIAL IMPACT



- 5 774 households (rattan pre-processors) improved rattan production skills
- SMEs sourcing rattan from responsible managed forests and have signed contracts with 60 villages
- The application of cleaner production techniques improved working conditions of 750 rattan sector workers
- WFTO membership for Rattan Association of Cambodia
- Policies reviewed to support community based rattan processing and to promote a sustainable and green rattan industry

ENGAGEMENT OF TARGET GROUP



- 100 villages (rattan pre-processors) engaged in responsible forest management and/or rattan production
- 220 SMEs exposed to cleaner production techniques
- The Lao National Chamber of Commerce, the Rattan Association of Cambodia, and the Department of Agriculture and Rural Development (Vietnam) built capacity and will support the rattan sector beyond the project period
- Rattan Association of Cambodia set up with 8 SMEs and engaged with 20 villages to supply sustainable rattan materials and semi-processed products
- Lao National Chamber of Commerce developed SME Rattan Export and Production Guidelines for use beyond project period
- In Vietnam, an IKEA supplier plans to replicate the supply chain model in other parts of Vietnam
- Networking with international organisations is helping to replicate and mainstream best practice experiences.

POLICY LINKAGES



- Quota system for rattan harvesting reviewed, based on sustainable management practices in Lao and Cambodia
- Vietnam: Decision No. 11 of the Prime Minister; implementation guidelines developed and piloted in Hue Province
- Policy-makers from Vietnam, Cambodia and Lao PDR learned about rattan policies in Malaysia and pilot actions, and identified policy gaps in their countries
- Policy study tour for Vietnamese representatives to Laos on how to apply FSC in Vietnam.



Legend

- Eligible countries where SWITCH-Asia projects are implemented
- Eligible Asian countries for the SWITCH-Asia programme
- Non-eligible Asian countries for the SWITCH-Asia Programme

Project implementation area

- City
- Region
- Country

The boundaries shown on this map do not imply on the part of the European Union any judgment on the legal status of any territory or the endorsement or acceptance of such boundaries.

OBJECTIVES

At least 40% of all targeted SMEs in the supply chain are actively engaged in cleaner production of rattan products in Cambodia, Laos and Vietnam.
At least 15% of targeted processing SMEs are providing sustainable products to European and other markets, thus delivering a measurable improvement of this sector's environmental performance.

DURATION



FUNDING

EU co-funding
EUR 2,417,694

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PROJECT CONSORTIUM



WWF Austria, Austria



Vietnam Cleaner Production Centre (VNCPC), Vietnam



Artisans' Association of Cambodia (AAC), Cambodia



Lao National Chamber of Commerce and Industry (LNCCI), Lao PDR