

UN-REDD
PROGRAMME



Food and Agriculture
Organization of the
United Nations



UN
environment
programme



Norad

SUSTAINABLE FOREST TRADE IN THE LOWER MEKONG REGION

TARGETING THE CAPACITY GAPS IN CAMBODIA,
LAO PDR, MYANMAR, THAILAND AND VIET NAM



RECOFTC

CONTENT

FIGURES	1
TABLES	2
ABBREVIATIONS	3
ACKNOWLEDGEMENT	4
EXECUTIVE SUMMARY	5
I INTRODUCTION	8
II METHODOLOGY	10
a. Theoretical framework	11
b. Situational analysis	17
c. Capacity development needs assessment	18
d. Situational analysis and CDNA methodology and data-collection process	18
III SITUATIONAL ANALYSIS AND CAPACITY DEVELOPMENT NEEDS ASSESSMENT RESULTS	23
a. General country context overview	23
b. CDNA results	25
IV IDENTIFYING STAKEHOLDERS' REQUIRED COMPETENCIES	60
a. Local context: Capacity needs	61
b. National context: Capacity needs	66
V PROPOSED INTERVENTIONS TO ADDRESS REQUIRED STAKEHOLDER COMPETENCIES	69
a. Local context: Proposed capacity development programme	71
b. National context: Proposed capacity-development programme	77
c. Proposed training curriculum and modules	82
ANNEX 1 SITUATIONAL ANALYSIS AND CDNA GUIDANCE AT THE NATIONAL AND LOCAL COMMUNITY LEVELS	87
a. Context and rationale	87
b. Deliverables and reporting	87
c. Advice to carry out the situational analysis and CDNA	89
d. Theoretical framework	90
e. What is a situational analysis and how to carry it out	97
f. What is a capacity development needs assessment and how to carry it out	100
g. Relevant sources and terms	117
ANNEX 2 RECOFTC-SUPPORTED COMMUNITY BUSINESS MODELS	118
a. Cambodia	118
b. Lao People's Democratic Republic	120
c. Myanmar	121
d. Thailand	122
e. Viet Nam	125

FIGURES

Figure 1. Process flow to arrive at capacity-development topics and training curriculum for local and national stakeholders	9
Figure 2. Schematic overview of general timber value chain steps, associated actors and regulatory framework	13

TABLES

Table 1. Scope of the situational analysis and CDNA for sustainable forest management and trade of forest products or services	10
Table 2. Guiding framework for the situational analysis and CDNA: Value chain steps, analytical criteria and questions for engaging with local community groups, smallholders and national institutions	14
Table 3. Overview of the situational analysis and CDNA processes used in each country	20
Table 4. Policy mechanisms relevant to sustainable forest management and forest product trade	23
Table 5. Forest products in which local communities have an active role and benefit from sales	25
Table 6. Stakeholder groups and corresponding CDNA section	26
Table 7. Identified gaps by local communities that hinder them from effectively engaging in sustainable and legal forest management and trade	27
Table 8. Identified gaps by local government agencies that hinder them from effectively engaging in sustainable forest management and trade	36
Table 9. Identified gaps by local private sector that hinder them from effectively engaging in sustainable forest management and trade	43
Table 10. Identified gaps by national government that hinder them from effectively engaging in sustainable forest management and trade	48
Table 11. Identified gaps by large private enterprises and national associations that hinder them from effectively engaging in sustainable forest management and trade	54
Table 12. Identified gaps by civil society that hinder them from effectively engaging in sustainable forest management and trade	59
Table 13. Capacity needs of local stakeholders to effectively engage in sustainable forest management and trade	63
Table 14. Capacity needs of national stakeholders to effectively engage in sustainable forest management and trade	67
Table 15. Process and approach for delivery of the training programme at local, national and regional levels	70
Table 16. Proposed capacity-development programme for local stakeholders to effectively engage in sustainable forest management and trade	72
Table 17. Proposed capacity-development programme for national stakeholders to effectively engage in sustainable forest management and trade	78
Table 18. Selection criteria for targeted participants in local and national trainings	83
Table A1. Scope of the situational analysis and CDNA for sustainable forest management and trade of forest products and services	90
Table A2. Guiding framework for situational analysis and capacity development needs assessment (situational analysis and CDNA framework): Steps, criteria and questions for local community groups and smallholders and national institutes	93
Table A3. Situational analysis guidance, including both national and local community levels	97
Table A4. Questionnaire CDNA based on the theoretical framework for local community groups and smallholders and national institutes	103

ABBREVIATIONS

ASEAN	Association of Southeast Asian Nations
CATIE	Tropical Agricultural Research and Higher Education Center
COVID-19	coronavirus disease 2019
CDNA	capacity development needs assessment
FAO	Food and Agriculture Organization of the United Nations
FLEGT	Forest Law Enforcement, Governance and Trade
FLOURISH	Production-driven Forest Landscape Restoration under REDD+ through Private Sector–Community Partnerships Project
FPIC	free, prior and informed consent
FSC	Forest Stewardship Council
GIS	geographic information system
GPS	global positioning system
NA	not applicable or available
NGO	non-governmental organization
NTFPs	non-timber forest products
PEFC	Programme for the Endorsement of Forest Certification
PES	Payment for environmental or ecosystem services
PFES	Payment for forest environmental or ecosystem services
REDD+	Reducing Emissions from Deforestation and Forest Degradation and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks
SFT-LMR	Sustainable Forest Trade in the Lower Mekong Region Initiative (UN-REDD)
UNEP	United Nations Environment Programme
UN-REDD	United Nations Programme on Reducing Emissions from Deforestation and Forest Degradation
VPA	voluntary partnership agreement
WWF	World Wildlife Fund

All \$ references are United States dollars.

ACKNOWLEDGEMENT

The authors would like to acknowledge additional financial assistance provided by the European Union through RECOFTC's Voices for Mekong Forests project. The contents of this publication are the sole responsibility of the authors and do not necessarily reflect the views of the European Union.

EXECUTIVE SUMMARY

The UN-REDD initiative Sustainable Forest Trade in the Lower Mekong Region (SFT-LMR) aims to increase national commitments to fostering legal and sustainable trade and investment in wood products in the Lower Mekong region, to strengthen forest and land governance and to reduce illegal logging. Ultimately, the work will contribute to reducing forest degradation and deforestation and improving the sustainable management of forests across the region. It is intended to promote dialogue, policy alignment and inter-compatibility among the Lower Mekong countries, boost cooperation between those countries and China and confront the challenges of forest crime. RECOFTC has partnered with the UN-REDD Programme to identify and address governance issues hindering the effective functioning of sustainable and legal forest product value chains. This includes targeting the barriers to local communities' and smallholders' ability to engage with the value chains through tailored capacity-development programs and action plans.

Through this work, RECOFTC will support national actors in Cambodia, the Lao People's Democratic Republic (PDR), Myanmar, Thailand and Viet Nam to better enable the legal and sustainable trade of forest products and local communities and smallholders to more effectively engage in and benefit from that trade. This will cover national certification mechanisms and associated forest policies, forest and land laws and regulations related to the European Union's Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan (Chapter 1).

To determine the nature of the barriers, RECOFTC conducted a situational analysis and a capacity-development needs assessment in each of the five Lower Mekong countries. A theoretical framework for the research was developed to identify governance issues and gaps in six steps of the forest product (timber) value chain: tenure and sustainable forest management, harvesting, transport, processing and trade. With each stakeholder having a different role in value chains, a better understanding of their abilities at the local and national levels to deliver sustainable and legal forest products is needed. This includes their responses to policies and legislation governing supply chains, how they carry out their particular roles in the supply chains and how they can claim their space in them. This framework and its guidelines supported the five country teams to each carry out a literature review, interviews with supply chain stakeholders and stakeholder consultation via workshops (Chapter 2).

As a result of this research and the stakeholder consultations, information about the capacity gaps of six stakeholder groups at the local and national levels (local communities, local government agencies, local private sector, national government agencies, large private enterprises and national associations, and civil society) was collected in five country reports and subsequently synthesized into this report. The research found the following major gaps that each stakeholder group faces (more details in Chapter 3):

- Local communities
 - Complex or unclear policies, regulations and guidelines that are unsuitable for community contexts, including definitions of legality for forest products on public land and natural forests

- Lack of knowledge, awareness and ability to comply with legal requirements or follow procedures to register community forests, microenterprises or plantation lots, including lack of business management skills and technology
- Lack of community participation, representation, decision-making and negotiation power, especially among women
- Local government agencies
 - Lack of clear and appropriate guidance from the national government on regulations and guidelines to engage communities, particularly on tenure and commercial rights but also in creating opportunities for women or effectively supporting microenterprises
 - Lack of or weak supportive technology and online application platforms to promote transparency and coordination among different government agencies
 - Inadequate capacities on participatory practices and facilitation skills, including conflict management, to effectively deal with land tenure and to prevent illegal forest products entering supply chains
- Local private sector
 - Delays in obtaining permits, leading to loss in product quality and value
 - Lack of investment to modernize operations and labour skills
- National government agencies
 - Unfavourable, conflicting or restrictive laws and regulations on public land and natural forest administration, causing conflict with communities and land developers and resulting in high costs
 - Lack of recognition of sustainable forest management standards and lack of harmonized alignment with ASEAN and international standards when developing supporting policies that promote and encourage domestic markets for certified wood products
 - Improper implementation and monitoring skills that should be in line with harvesting requirements for timber legality
 - Lack of practical programs to enable the active participation of women or disadvantaged groups (also in government employment settings)
- Large private enterprises and national associations
 - Conflicting policies and laws that lead to time-consuming and costly complications
 - Lack of adoption or knowledge on chain of custody requirements and sustainable forest management standards
 - Insufficient supply of quality timber and supporting policy to attract investment
 - Weak enforcement of labour policies with lack of protection and entitlements
- Civil society organizations
 - Mandatory registration prior to actively participating in voluntary partnership agreements (VPA) and forest governance processes
 - Limited technical knowledge and analytical skills to take part in policy dialogues or contribute to processes for revising forest and land laws and policies.

To interpret the wealth of information gathered, the results are organized according to the different competency needs of these six stakeholder groups at the local and national levels. Competencies refer to the ability of a person to perform a certain task with the minimum level of knowledge, skills and experience required for that task. Accomplishing the required competencies is, however, contingent upon other stakeholders due to their collaborative working relationships, such as national and local government agencies but also local communities. The following summarizes the main

competencies requiring improvement among local and national stakeholders (more details in Chapter 4):

- Local stakeholders
 - Simplify the language of policy procedures for local communities and improve local government agencies' dissemination and application of guidelines provided by the national government agencies
 - Clarify benefits and commercial rights of local communities and smallholders (especially the women among them) on public land and natural forests, and strengthen their roles in policy processes
 - Develop protection and safeguard measures to secure systematic access to land and financial and technical assistance for sustainable microenterprise development
 - Encourage collaboration and strengthen partnership agreements between local communities and the private sector, which local governments can support and monitor
- National stakeholders
 - Develop and disseminate clear and simple guidance to reduce conflict over public land and natural forests and to ensure the legality of forest product value chains
 - Provide support to enable microenterprises to become viable business actors in forest product value chains and improve the roles and safeguards for women
 - Establish a forest governance system that civil society can independently monitor

Determining the required competencies in turn informed the capacity-development topics that should be prioritized for local and national stakeholder groups and are proposed in a set of modules (see Chapter 5 on training objectives and approach):

- Module 1: Introduction to certification and links to forest product value chains: Rationale, guidelines and frameworks
- Module 2: Skills development on entrepreneurship and business development: Strengthening internal organization of community-based enterprises
- Module 3: Skills development on effective engagement and innovative partnerships in supply chains
- Module 4: Strategies and approaches for effective sustainable forest trade
- Module 5: Action planning and monitoring

Recommendations are also offered on capacity-development interventions beyond the scope of the SFT-LMR initiative and on interventions that other partner organizations might consider within other project outputs.



INTRODUCTION

RECOFTC is a partner in the UN-REDD initiative Sustainable Forest Trade in the Lower Mekong Region (SFT-LMR). Together, they aim to increase national commitments to fostering legal and sustainable trade and investment in wood products in the Lower Mekong region, to strengthen forest and land governance and to reduce illegal logging. The work ultimately seeks to reduce forest degradation and deforestation and improve the sustainable management of forests. It is intended to promote dialogue, policy alignment and inter-compatibility among the Lower Mekong countries, boost cooperation between those countries and China and effectively address the challenges of forest crime.

The initiative has three targeted outcomes:

- Outcome 1: Strengthened bilateral and regional cooperation in place to facilitate the legal and sustainable trade in forest products across the Lower Mekong region and China
- Outcome 2: Improved forest governance for the legal and sustainable trade of forest-related products
- Outcome 3: Improved monitoring of forest and land use enabled through enhanced data accessibility and management

RECOFTC is tasked to carry out activities contributing to two outputs within outcome 2:

- Output 2.4: Capacities of national institutions built up to allow them to operationalize improved forest governance, sustainable forest management and forest product trade
- Output 2.6: Community-based groups' and smallholders' access to legal and sustainable forest product value chains enabled

The focus of the work defined under both outputs and RECOFTC's role therein is to identify and address governance issues occurring in supply chains. This is expected to be followed with the design and delivery of tailored capacity-development programs (from forest management to market) and action plans. This will support national actors, local communities and smallholders to more effectively engage in and benefit from the legal and sustainable trade of forest products. This will cover national certification mechanisms and associated forest policies, forest and land laws and regulations related to the European Union's Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan, where appropriate, in Cambodia, the Lao People's Democratic Republic (PDR), Myanmar, Thailand and Viet Nam.

This report responds to two primary questions:

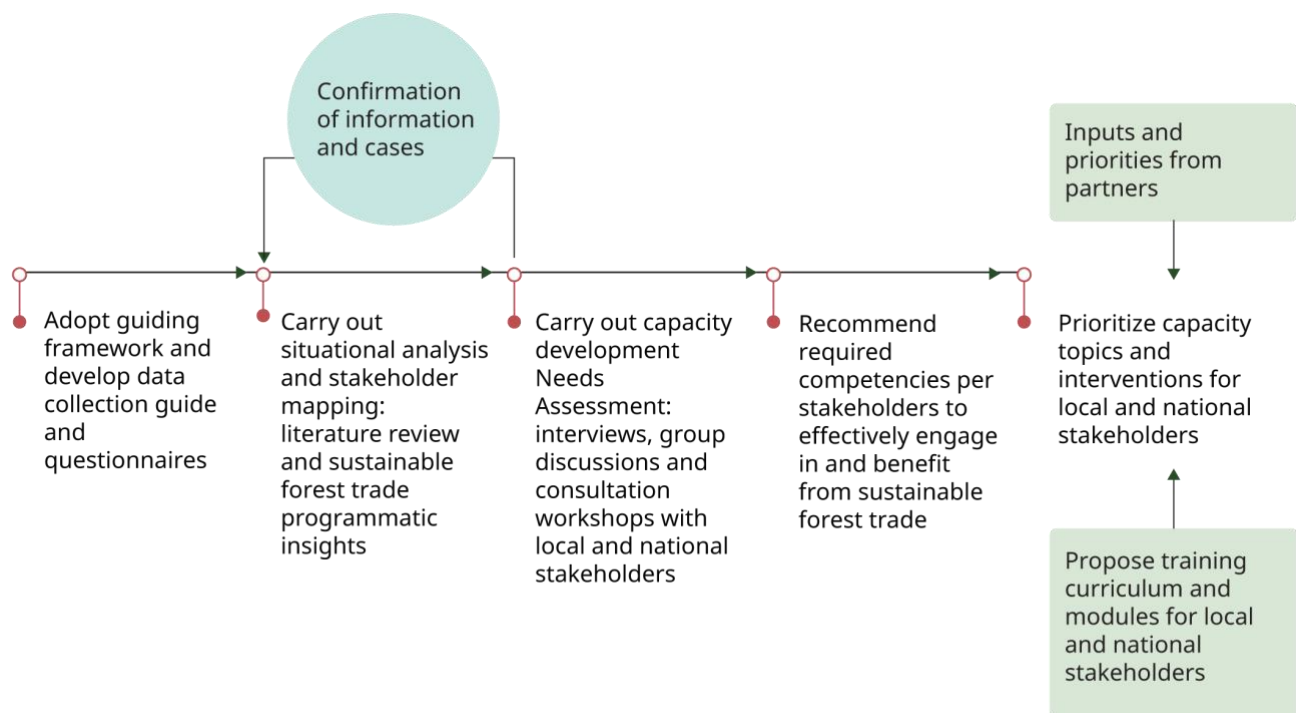
- What capacities or competencies need to be increased that would enable local communities and smallholders in the Lower Mekong region to be more effective in supply chains and benefit from the legal and sustainable trade of forest products?

- What capacities or competencies need to be increased that would enable national authorities to be more effective in regulating and supporting supply chains and provide benefits from the legal and sustainable trade of forest products?

The process flow in figure 1 describes the steps involved to carry out a situational analysis and a capacity development needs assessment (CDNA) to provide the inputs for developing a training curriculum for targeted participants at the local and national levels. The CDNA determined the capacity gaps based on information gathered through a literature review (including a stakeholder mapping under the situational analysis) and stakeholder consultations.

Required competencies per stakeholder group were analysed based on the capacity gaps they have experienced. These identified competency needs were turned into a proposed training curriculum and other capacity-development interventions, with prioritized topics for both local and national stakeholders in the training modules.

Figure 1. Process flow to arrive at capacity-development topics and training curriculum for local and national stakeholders





METHODOLOGY

The overall scope of the SFT-LMR initiative is guided by various policy frameworks that are subscribed to and implemented in the region. These include national forest management and trade policies and international policies, including those that govern voluntary certification through the Forest Stewardship Council (FSC) and the Programme for the Endorsement of Forest Certification (PEFC), and legal bilateral arrangements, such as the FLEGT voluntary partnership agreements (VPAs). The underlying principles of these policies are aligned with sustainable forest management and the legal trade of forest products in the Lower Mekong countries.

A theoretical framework was required to assess the sustainable forest management and trade of forest products in each country context (through the situational analysis) and then the capacity needs of the stakeholders involved in sustainable forest management and trade (through the CDNA). Together, they focused on the aspects of how sustainable forest management and trade are implemented in various contexts and landscapes, building on existing forest governance policies and mechanisms (table 1).

With the immediate focus of the initiative on illegal logging and the timber trade, this work primarily focused on timber. However, local communities may have limited access to benefit from timber because of limited tenure rights and access to timber resources or to markets. Thus, this report and the country reports also cover non-timber forest products (NTFPs), which are an important part of many local communities' livelihoods.

Table 1. Scope of the situational analysis and CDNA for sustainable forest management and trade of forest products or services

Mechanism	Timber	NTFPs	Forest services (carbon, water and tourism)
Country policy environment	x	x	x
Markets (for legal forest products)	x	X	
Certification	x	X	x
PFES and REDD+			x

Note: NTFPs=non-timber forest products; PFES=payment for forest environmental or ecosystem services.

The theoretical underpinnings of the situational analysis and the CDNA framework relied on the following concepts and terms.

Country policy environment: National policies related to sustainable forest management and the trade of forest products or services differ, based on the national forestry context of a country. This is partially due to differences in the status of natural resources and economic

and infrastructure development. but is also due to national decision-makers' vision and goals for a country. Each country has policies that regulate how forests are meant to be managed and to what extent the trade of forest products is organized. Examples of how a policy determines what space there is to develop forest products or services for trade include whether or not there is a logging ban or strict laws on commercializing native tree species.

Markets (for legal products): Increasingly, there are global and country efforts (including this SFT-LMR Initiative) to reverse destructive forest management practices and stop illegal forest product trade. This is creating new but also more restrictive opportunities for legal products to enter those markets. The FLEGT Action Plan is a good example of how countries around the world are acting to combat illegal logging and foster good forest governance.¹

Certification: Certification of forest products (both timber and NTFPs) is an internationally recognized market-based tool that can contribute and promote sustainable forest management and improve the governance of the forestry sector in general. The goal is to link the trade of forest products to the sustainable management of forest resources by providing buyers with assurance that the product they buy comes from responsibly managed forests that are independently audited based on widely accepted standards. It also provides the assurance that certified products moving through the different supply chains have not been mixed with uncertified material or material from controversial sources.

Forest products and services: Forest products² refers to any material derived from a forest for direct consumption or commercial use. The goods are tangible and physical objects, including timber (such as teak and rubber) and NTFPs (such as bamboo and rattan). Forest services refers to ecological services that forests provide in terms of regulation and function services, such as carbon service and water regulation service.³

The opportunity for stakeholders to actively be involved and benefit from the sustainable management and trade of forest products or services depends on a country's context. The situational analysis and CDNA process allow for the capture of information relevant to specific stakeholders (local communities and smallholders, local private sector, government agencies at the provincial and district levels, national institutes including government departments and offices). For instance, if the extraction and sale of timber is not an option for communities for various reasons, the discussion can be shifted towards NTFPs or perhaps to payment for environmental or ecosystem services (PES) or PFES.

a. Theoretical framework

To prove sustainable forest management and that forest products are legally traded, each step in the value or supply chain needs to demonstrate compliance with agreed standards (figure 2). The different steps include the source of the forest product, followed by harvesting, processing, transport and trading to the final market and consumers. Using a value chain approach helps to understand the challenges in achieving sustainability and to identify where attention is required to enable the equitable distribution of benefits among the value chain actors. It is necessary also for opportunities to add value at the various steps of the value chain. This requires consideration of different capacities and assets of different actors and stakeholders in the value chain and the role they have,⁴ all of which determines the effectiveness of the whole chain to produce legal forest products for the market.

¹ For more information, go to: <http://www.flegt.org/>

² Classification and definition of forest product at: <http://www.fao.org/3/an647e/an647e00.pdf>

³ Service providers by forest at: <http://www.fao.org/3/w7714e/w7714e05.htm>

⁴ Actors such as forest managers, forest companies and processing facilities carry out activities in which they add value to forest products. Stakeholders such as government agencies and non-government organizations) are only indirectly involved in supply chains and do not add value to forest products.

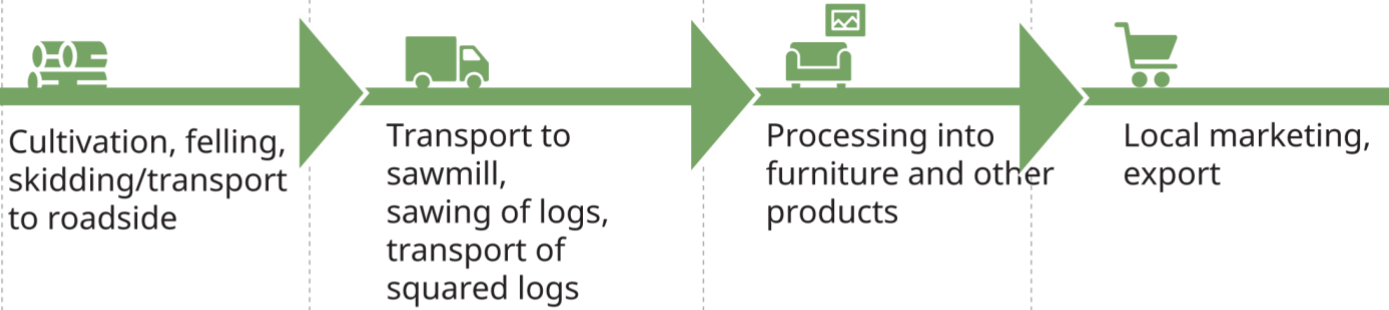
The framework used to guide the situational analysis and the CDNA is based on the main steps in the value chain that are essential for the legal forest products trade to be effective and beneficial to the involved actors and stakeholders. The framework also considers the principles established by the FSC and PEFC certification standards and the FLEGT and REDD+ mechanisms. Areas included in the framework:

- Compliance with the law
- Tenure and user rights
- Recognition of legal and customary rights of local people
- Social and economic well-being of forest workers and communities
- Multiple benefits
- Management planning
- Monitoring and evaluation
- Active stakeholder participation and engagement
- Transparency
- Continuous improvement⁵

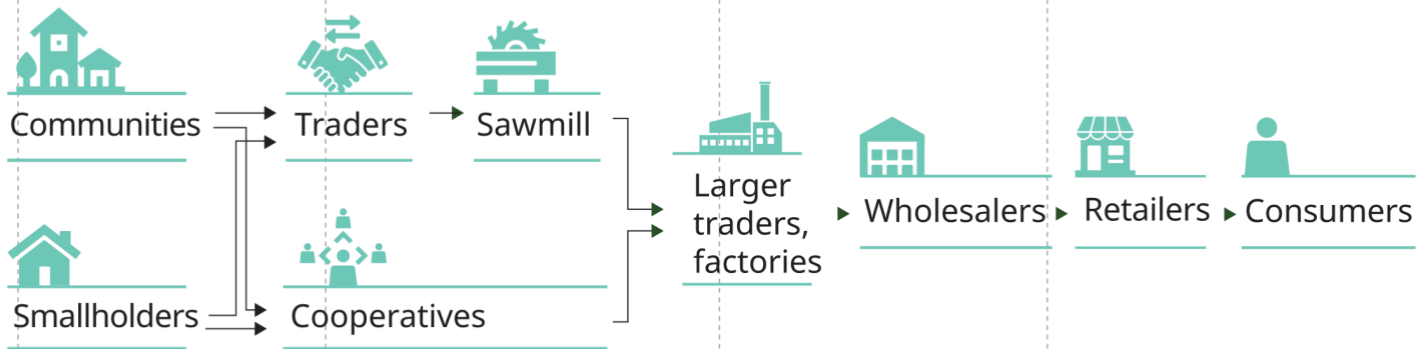
⁵ FAO, "Forest certification" (n.d.), <http://www.fao.org/sustainable-forest-management/toolbox/modules/forest-certification/further-learning/en/?type=111>

Figure 2. Schematic overview of general timber value chain steps, associated actors and regulatory framework

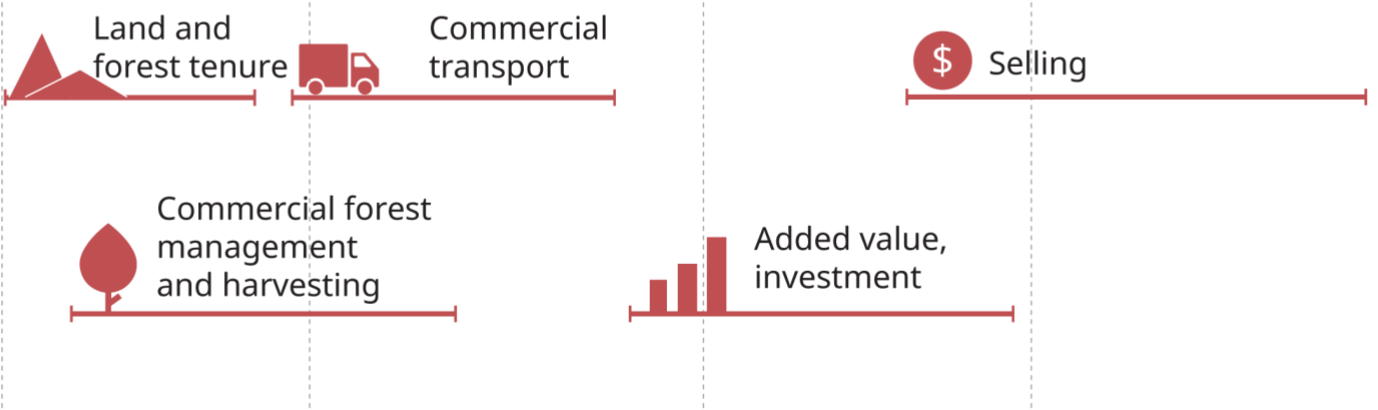
Timber value chain processes



Value chain actors



Legal and regulatory environment



Source: Adapted from M. Greijmans, D. Gritten, L. Jihadah, A.K. Naing, and L.M. Sapkota, *Access to Markets: Ensuring Forest Communities in Myanmar Benefit from Their Timber* (Bangkok, 2018).

Each value chain step is subdivided into criteria covering three categories (table 2). These categories reflect the effectiveness of the value chain and, when combined, ensure that all potential capacity gaps of involved actors or stakeholders are captured.

1. **Policies and legislation** not only determine what value chain actors are allowed to do with forest products but also affect the ability of these actors and stakeholders to understand or abide by these policies. Another aspect is the available space that actors have to shape or influence policies to reflect their livelihood or business operations and realities. When combined, these can become barriers, affecting actors' capacities to effectively engage in value chains.
2. **Technical capacities** cover the ability or competency of value chain actors to effectively carry out their roles in each value chain step. These roles differ per stakeholder. Some are based on mandates and job terms of reference (government officials and non-government organization (NGO) staff providing guidance on land tenure registration procedures or training on silvicultural practices). They also can be determined by specific actions that actors need to undertake in the value chain (such as communities' ability to harvest timber according to standards set by buyers).
3. **Inclusion and empowerment** refer to the awareness, willingness and ability to create an environment in which the chances of ineffectiveness, inequality, inequity and exclusion are reduced in value chain processes. It covers all aspects involving the platforms and opportunities for direct actors to express their concerns and grievances and be a part of the decision-making on matters that affect them directly. It considers how potential power imbalances that exist are reduced and how respect for free, prior and informed consent (FPIC), gender equality and other rights are mainstreamed into programming and operations. Ultimately, this means that potential injustices and conflict within the value chain might be addressed. Examples of consideration include: Who has access to information? How is this information shared and how informed are decisions made based on this information? Which group's voice is heard and included in decision-making processes? How is benefit-sharing decided? How is that mechanism developed and implemented?

These three categories were used to systematically develop questions relevant to engage local community groups, smallholders and national institutes. Guidelines for country teams were developed (Annex 1) based on the framework, including questions to use to engage with various stakeholders. Using the guiding framework of six steps in a value chain (tenure, sustainable forest management, harvesting, transport, processing and trade) with three categories (policies and legislation, technical capacities, and inclusion and empowerment), a maximum of 18 components were assessed for gaps per stakeholder. These gaps became the targets to consider for improving stakeholders' competencies.

Table 2. Guiding framework for the situational analysis and CDNA: Value chain steps, analytical criteria and questions for engaging with local community groups, smallholders and national institutions

Steps	Criteria
1 Clear and recognized land tenure and user rights	1.1 Policy and legal
	1.1.1 Supportive policies and laws acknowledge the legal control over land and forest products and the commercializing of forest products
	1.1.2 National and local authorities recognize legal control over land and forest products and legal rights to commercialize forest products
	1.2 Technical
	1.2.1 Guidance and tools to zone and demarcate land are available, especially for forest land or mixed-use land

	1.2.2	Extension programme, including financial resources, supports local communities and smallholders
	1.3	Inclusion and empowerment
	1.3.1	Government and/or community institutions are in place to ensure the participation of relevant stakeholders
	1.3.2	Government and/or community institutions are in place to secure and exercise rights over forests
	1.3.3	A bundle of rights (both customary and statutory rights) are recognized, protected and fulfilled in implementing sustainable forest management
	1.3.4	Government and/or community institutions have the necessary capacities to participate and exercise their rights over forests
	2.1	Policy and legal
	2.1.1	Supportive policies and laws acknowledge the rights to plant, manage and commercialize forest products
	2.1.2	National and local authorities recognize the rights to plant, manage and commercialize forest products
	2.2	Technical
	2.2.1	Available good-quality planting materials (including commercial species)
	2.2.2	Available labour to invest time to maintain and manage forests (weeding, tending, fire patrolling)
	2.2.3	Available silvicultural and technical skills to manage forests (thinning, harvesting)
	2.2.4	Guidance available for forest management planning and practices (plan implementation, monitoring and evaluation) to ensure the long-term sustainability of quality resources
2	2.2.5	Existing local and national certifications and standards to verify and assure legality, quality products and services
	2.2.6	Access to market information to plan the trade of forest products
	2.2.7	Access to finance (access to credit), technical (thinning practices) and business (business planning and financial reporting) services
	2.3	Inclusion and empowerment
	2.3.1	Representative body managing forests is accountable, transparent and inclusive in decision-making to all user groups and promotes gender equity
	2.3.2	Statutory and customary arrangements for managing forests are agreed upon and in place
	2.3.3	Benefit-sharing from forests is conducted in a transparent and equitable manner
	2.3.4	Channels and access to relevant information are available to carry out forest management
	2.3.5	Resources are available and communities and smallholders can participate in a gender-equitable manner in forest management
	2.3.5	Effectiveness of communities and smallholders when participating in forest management
	2.3.6	A grievance mechanism is in place to anonymously voice complaints and resolve these effectively and satisfactorily

3 Harvesting	3.1 Policy and legal
	3.1.1 Supportive policies acknowledge the legal harvesting of forest products and the commercializing of forest products
	3.1.2 National and local authorities recognize the legal rights to harvesting and commercialize forest products
	3.2 Technical
	3.2.1 Technical skills and knowledge apply appropriate (allowed by law) technology for harvesting or know-how to access them
	3.2.2 Access is available to physical (electricity, machinery, sealed roads) facilities, safety precautions and financial resources
	Inclusion and empowerment
	3.3.1 Workers' rights and employment conditions are recognized
	3.3.2 A grievance mechanism is in place to anonymously voice complaints and resolve them effectively and satisfactorily
4 Transport	4.1 Policy and legal
	4.1.1 Supportive policies with clear guidance and protocols are in place to legally transport and commercialize forest products
	4.1.2 National and local authorities recognize the legal transport and commercialization of forest products
	4.2 Technical
	4.2.1 Access available to transport or access to finance to arrange transport
	4.3 Inclusion and empowerment
	4.3.1 Workers' rights and employment conditions are recognized
5 Processing	5.1 Policy and legal
	5.1.1 Supportive policies with clear guidance and protocols are in place to legally process and commercialize forest products
	5.1.2 National and local authorities recognize the legal processing and commercialization of forest products
	5.2 Technical
	5.2.1 Access is available to technology and skills to process forest products
	5.2.2 Access is available to finance and investment opportunities to process forest products
	5.3 Inclusion and empowerment
	5.3.1 Workers' rights and employment conditions are recognized
	5.3.2 A grievance mechanism is in place to anonymously voice complaints and resolve these effectively and satisfactorily
6 Sales	6.1 Policy and legal
	6.1.1 Supportive policies with clear guidance and protocols are in place to legally sell forest products
	6.1.2 National and local authorities recognize the legal sale of forest products
	6.2 Technical

6.2.1	Access is available to domestic or export market to sell products at a profitable price
6.2.2	Access is available to skills to market and sell products according to consumer demand
6.3	Inclusion and empowerment
6.3.1	A benefit-sharing mechanism is in place and providing fair shares among members
6.3.2	Stakeholders have power and ability to negotiate

The guiding framework helped to shape the situational analysis and CDNA.

- The situational analysis provides an updated status of what is happening in terms of sustainable forest management, the forest product and services trade and market access (including certification) in a country. The situational analysis provides an opportunity for RECOFTC and partners to achieve a similar level of understanding.
- The CDNA goes a step further and tries to unpack the particular challenges that stakeholders face to operationalize and benefit from accessing markets for a range of forest products and services, in particular timber.

b. Situational analysis

The situational analysis provides a baseline or overview of the status of sustainable forest management, the forest product or services trade and market access (including certification). The situational analysis assesses the existing policy and governance framework (and its application) for sustainable forest management, the chain of custody for the legal forest products trade and to what extent it benefits local communities and smallholders. This analysis includes various methods and tools applied to gather and examine (i) the current situation, (ii) the development and implementation process, (iii) the policy and regulatory framework, (iv) national institutions and stakeholders involved in forest management and forest product trade processes and (v) challenges faced by those involved, including local communities and smallholders.

Objectives

- Gather baseline data from primary and secondary sources to describe the context of sustainable forest management and trade (including national forest certification development) at the national level and the challenges or obstacles that communities and smallholders experience that hinder them from enjoying the benefits from sustainable forest management and the trade in legal and sustainable forest products
- Analyse and identify stakeholders, both at the national and community levels, who are potentially engaged with in and benefit from sustainable forest management and trade, and conduct a CDNA with them

c. Capacity development needs assessment

A CDNA examines and investigates the human capacity gaps of various stakeholders in accessing and achieving sustainable and legal forest value chains through national policies, FLEGT VPA processes and certification of timber and NTFPs. This analysis is a starting point for designing and implementing interventions that can address the gaps identified with selected stakeholders. The engagement is with two main groups of stakeholders: one at the local level and the other at the national level. The first entails local community groups and smallholders to understand their ability to access land tenure systems or overcome any barriers and their access to legal and sustainable forest product value chains. The second refers to national actors (including forest administration, law enforcement, the private sector and civil society organizations) who are involved in sustainable forest management, the forest product or services trade, certification and implementation.

This report covers six groups of stakeholders who have a crucial role in sustainable and legal forest supply chains at either the local or national level: local communities, local government agencies, local private sector, national government agencies, large private enterprises and national associations, and civil society organizations. The capacity development needs for each stakeholder are identified in Chapter 3. The results from the analysis are the starting point for the design of a proposed training curriculum and capacity-development programme.⁶

Objectives

- Assess the understanding of stakeholders and their ability to engage in and benefit from legal and sustainable forest product value chains
- Identify capacities and capacity gaps among the stakeholders that need to be addressed through a capacity-development programme (curriculum and training events)
- Create a capacity-development programme to enhance the skills and capabilities of stakeholders to improve forest governance for the legal and sustainable trade of forest-related products

d. Situational analysis and CDNA methodology and data-collection process

⁶ Curriculum and training material development, tailored for two countries based on the final report of the situational analysis and CDNA (output 2.4) and three countries under output 2.6. Remaining countries will participate in regional trainings.

RECOFTC country teams orientated themselves around the situational analysis and CDNA guidelines and adapted their approach to their working context, strategic positions at the national and landscape (local) levels and to the partnering agencies in the initiative. Various participatory rural appraisal tools were applied to gather data, as the following elaborates.

The situational analysis encompassed:

- Literature review, including policy reviews regarding value chain steps.
- Country team review based on familiarity with national and local contexts. This included a stakeholder mapping based on existing working engagements with local stakeholders in the forest sector, including national, provincial and district government agencies, civil society organizations, local communities and the private sector. Familiarity also related to presence in selected landscapes through projects implemented by RECOFTC and its partners, such as:
 - Voices for Mekong Forests, which engages people in forest governance in the five Lower Mekong countries (Cambodia, Lao PDR, Myanmar, Thailand and Viet Nam), in collaboration with non-state institutions
 - The Production-driven Forest Landscape Restoration under REDD+ Through Private Sector–Community Partnerships (FLOURISH) project, implemented in Lao PDR, Thailand and Viet Nam, in collaboration with partner agencies on forest landscape restoration in productive landscapes
 - The Food and Agriculture Organization of the United Nations (FAO) and European Union’s Forest Law Enforcement, Governance and Trade Programme to strengthen the capacities of small-scale timber operators to further enhance learning and policy advocacy for improving supply chain control and timber legality assurance system development in promoting fair access to forest resources in public land in Thailand
 - The United States Agency for International Development’s Sustainable Forest Management project in Viet Nam.

The CDNA encompassed:

- Local informant and expert interviews, including small group discussions:⁷ (a) in the field with local communities, local government, local private sector, local civil society organization staff and (b) phone interviews
- National-level informant and expert interviews: (a) national government agencies, private sector associations and investors, civil society organizations, (b) phone interviews and (c) online questionnaire
- National consultation workshops: face-to-face and Zoom gatherings with stakeholders⁸
- Team briefings after consultation workshops with FAO or SFT-LMR initiative staff

Table 3 gives an overview of how the situational analysis and CDNA were carried out. Where adaptations were made, additional remarks are provided.

⁷ In alignment with national COVID-19 requirements and advice.

⁸ While observing guidance provided in the checklist for gender-responsive workshops.

Table 3. Overview of the situational analysis and CDNA processes used in each country

Country	Situational analysis	CDNA Interviews and consultation workshops	Approaches	
		Local level (village, district, province)	National level	
Cambodia	x	<ul style="list-style-type: none"> ● Phnom Dek Chambok Hos and Chheur Teal Preurs community forests ● Community forests of Preah Vihear and Stung Treng provinces ● Commune Council (Romany and Chamkar Leur commune chiefs) 	<ul style="list-style-type: none"> ● Forestry Administration (Stung Treng Forestry Administration Cantonment, Preah Vihear Forestry Administration Cantonment and Community Forestry Office) ● Private sector (Grandis Timber and CamAgra) ● Civil society organizations (NGO Forum, World Wildlife Fund, NTFP Exchange Programme, Geres) 	Face-to-face and virtual meetings; shared report to stakeholders for feedback, including national government
Lao PDR	x	<ul style="list-style-type: none"> ● Khokluang Village and teak group in Bokeo Province ● Rattan collecting group and World Wildlife Fund ● Bokeo Provincial and District Agriculture and Forestry Office ● Luang Prabang Provincial Agriculture and Forestry Office, Luang Prabang Teak Programme ● Private sector (Singthoun sawmill) ● Civil society organizations (Maeying Huamjai Phattana, CAMKID) 	<ul style="list-style-type: none"> ● Department of Forest Inspection ● Department of Forestry ● Department of Import and Export ● Department of Industrial and Handicrafts ● Private sector (Mekong Timber Plantation) ● National Wood Processing Association 	Face-to-face interviews and virtual meetings; national workshop conducted 21 April 2021
Myanmar	x	<ul style="list-style-type: none"> ● Community (Wu Yan Community Forest) ● Blue Myo Haung Village, Myanmar Forest Certification Committee-piloted area ● Kyaugnar Village, a bamboo handicraft producer ● Pounamu Co. Ltd, a private bamboo producer 	<ul style="list-style-type: none"> ● Ministry of Natural Resources and Environmental Conservation ● Myanmar Timber Enterprise (state-owned) ● Myanmar Forest Products Merchants Federation (private) ● Myanmar Forest Certification Committee ● Myanmar Environment Rehabilitation-Conservation Network 	Due to the political situation in Myanmar, no active engagement was sought with government agencies

Thailand	x	<ul style="list-style-type: none"> ● Sriboonruang teak growers and community-based enterprise ● Nan model community-based enterprise ● Rubber smallholders from southern and northeastern regions ● Nan Provincial Office of Natural Resources and Environment ● Nan Forest Office ● Private sector (Phrae processing manufacturer and Suchart Furniture in Nan Province) ● Civil society organizations (Raksthai Foundation, Roi Et Tree Bank, Roi Et Community Forest Network) 	<ul style="list-style-type: none"> ● Permission Bureau, Royal Forest Department ● Forest Certification Office, Royal Forest Department ● Thailand Forest Certification Council ● Guaranteed Forensic Authenticators Certification (GFA) Thailand ● FSC Thailand ● Forest Industry Organization (state-owned) ● Rubber Authority of Thailand ● Private sector (Double A Public Co., Ltd.) ● Reclaimed Wood Association ● Private forest plantation cooperative ● Thai panel product club 	Phone interviews and face-to-face and virtual meetings; national workshop conducted 29 April 2021
Viet Nam	x	<ul style="list-style-type: none"> ● Viet Nam Forest Owners' Association (VIFORA) ● Kim Thuong and Xuan Dai communes, Tan Son District, Phu Tho Province ● Quan Son District, Thanh Hoa Province ● Small Forestry Cooperatives Hong Ca 	<ul style="list-style-type: none"> ● Viet Nam Administration of Forestry (VNFOREST) ● Viet Nam Forest Certification Office (VFCO) ● Vietnamese Academy of Forest Sciences ● FSC Viet Nam ● Guaranteed Forensic Authenticators Certification (GFA) GmbH Viet Nam ● Clever Forestry ● Forest Information System Joint Stock Company ● TVQL Luong Company Ltd ● Civil society organizations such as the Centre of Research and Development in Upland Areas, People and Nature Reconciliation, The Consultative Institute for Socio-Economic Development of Rural and Mountainous Areas, Trade Records Analysis of Flora and Fauna in Commerce and Vietnam Farmer's Union ● Viet Nam Timber and Forest Product Association (VIFOREST) 	Online survey and face-to-face and virtual meetings; national workshop conducted 23 April 2021
Main office	Review, share with	<ul style="list-style-type: none"> ● Provide guidelines and coaching 	<ul style="list-style-type: none"> ● Provide guidelines and coaching, synthesis overall findings 	Regular communication and engagement with FAO and



SITUATIONAL ANALYSIS AND CAPACITY DEVELOPMENT NEEDS ASSESSMENT RESULTS

a. General country context overview

This chapter shares some of the main observations and a summary of the situational analysis findings from the five countries. Primary attention centres on policies, selected forest products and references to sustainable forest management and trade models or business models in which local communities are embedded. Information was collected from local stakeholders in the country landscapes where RECOFTC works.

Table 4 describes the policies around sustainable forest management mechanisms relevant to the scope of work.

Table 4. Policy mechanisms relevant to sustainable forest management and forest product trade

Country	FLEGT VPA	Certification	National policies (government-defined standards)
Cambodia	Eligible for support to design a FLEGT road map (non-VPA country)	FSC, PEFC	<ul style="list-style-type: none">• Land law (2001) gives collective land ownership to indigenous communities through communal land titles but a limited bundle of rights• Law on Forestry (2002) provides legal basis for community forestry• Community Forestry sub-decree (2003) sets rules for establishment, management and use of community forests• Prakas (guidelines) on Community Forestry (2006)• Sub-decree on registration of land of indigenous communities (2009)
Lao PDR	Negotiations with European Union	FSC, PEFC	<ul style="list-style-type: none">• Land Law (2019) to formalize land use rights of individuals and deal with customary and community rights and land allocation to villages• Forestry Law (2019) specifies participation of local communities in forest management, recognition of village forestry in state-managed forests, a planning system and commercialization of timber and NTFPs in forest areas allocated by the State to villages to use and manage• Decree No. 59/Prime Minister on Sustainable Management of Production Forest (2002), with participation of local people• Prime Minister's Order 15 (2016) banning export of round-wood and semi-processed products

			<ul style="list-style-type: none"> ● Ministry of Agriculture and Forestry Instruction No. 2492 (2020) on national registry of the plantation forests and certified planted trees ● Ministry of Industry and Commerce Decision No. 0777 (2020) on management and monitoring of timber input and output in wood processing and trading ● Decree No. 247/Prime Minister (2019) on promotion of commercial tree plantations
Myanmar	Non-VPA country	PEFC and Myanmar Forest Certification Committee	<ul style="list-style-type: none"> ● National Land Use Policy (2016) includes commitment to adopt the Voluntary Guidelines on the Responsible Governance of Tenure and emphasis on public participation in decision-making related to land use and land resource management ● Forest Law (1992, amended 2018) includes sustainable forestry practices and socioeconomic benefits and encourages private sector and community participation in forest management ● Community Forestry Instruction (1995, amended 2016 and 2019) gives legal backing to rural communities to co-manage forests, with additional Community Forestry Instruction guidelines to strengthen communities to commercially benefit through community enterprise development based on sustainable forest management principles ● Vacant, Fallow and Virgin Lands Management Rules (2012, amended 2018) classifies land types in ethnic rural areas and local people can register to get permission for land utilization
Thailand	VPA negotiations with European Union	FSC, PEFC and Thailand Forest Certification Council	<ul style="list-style-type: none"> ● Land Code (1954, amended 2013) ensures private property legally protected by land titles ● Forest Act (1941, amended 2019) includes easing procedures of restricted trees grown on private and public lands ● Community Forest Act (2019) ensures benefits for communities from the natural resources within designated community forest ● National Reserved Forest Act (1964, amended 2016) clarifies timber species requiring harvest permit ● Forest Plantation Act (1992, amended 2015) promotes private forest plantations in degraded forest areas and lands to be registered as commercial forests
Viet Nam	Implementing VPA: developing timber legality assurance system	FSC, PEFC and Viet Nam Forest Certification Office	<ul style="list-style-type: none"> ● Land Law (2013) includes legal recognition of community land tenure ● Forest Law (2017) includes legal recognition community forest tenure ● Decree on allocation and contracting production forest land in stated-owned agricultural and forestry enterprises (2005) ● Decision allocating land (including forest plantations) from state agriculture and forestry enterprises to poor and ethnic minority households (2004)

Note: Thailand Forest Certification Council, Myanmar Forest Certification Committee and Viet Nam Forest Certification Office are national governing bodies of PEFC.

Table 5 highlights the forest product value chains in which local communities and smallholders have an active role in sustainable forest management and trade. The overview provided is based on each country team's knowledge of the roles that local communities are able to have according to specific policies and programs, shaped by laws, support programs and available resources (natural, technological and financial).

Most forest products in which communities invest in are secondary livelihood strategies, some with seasonal importance (NTFPs) or medium-term (wood chips, three to five years) or long-term timber (around 20 years). One of the main challenges (elaborated in the next sections) for communities and smallholders is that few forest products are actively managed to enhance their productivity, except rubber, for which latex is the primary product.

Table 5. Forest products in which local communities have an active role and benefit from sales

Country	Forest product	RECOFTC-supported community business model (see Annex 2)
Cambodia	<ul style="list-style-type: none"> • Bamboo, dead wood (natural) • Rubber (latex and timber, planted) 	<ul style="list-style-type: none"> • O Taneung Community Forestry deadwood trading (Kratie Province)
Lao PDR	<ul style="list-style-type: none"> • Teak (planted) • Rattan, bamboo (natural) 	<ul style="list-style-type: none"> • Teak producer group and Singthoun sawmill partnership (Bokeo Province)
Myanmar	<ul style="list-style-type: none"> • Rattan, bamboo (natural) 	<ul style="list-style-type: none"> • Shwe Yoma rattan community enterprise engagement with the Myanmar Rattan and Bamboo Enterprise Association (Rakhine State)
Thailand	<ul style="list-style-type: none"> • Teak, rubber (latex and timber), eucalyptus (planted) 	<ul style="list-style-type: none"> • Santisuk teak producer group and partnership processes (Nan Province) • Mae Tha teak growers on public lands and community forest supply chain control pilot project (Chiang Mai Province)
Viet Nam	<ul style="list-style-type: none"> • Acacia, rubber (latex and timber) (planted) • Bamboo (planted and natural) • PFES (natural) 	<ul style="list-style-type: none"> • Bamboo producer group and Duc Phong partnership (Nghe An Province)

Note: Rubber is not recognized by Lao law as a forest product; private sector-community business models also exist, such as in Viet Nam (Acacia), Lao PDR (Eucalyptus and Acacia)

b. CDNA results

A summary of the CDNA results from the five countries is provided per stakeholder (six stakeholder groups are shown in table 6) in their allocated sections. In each section, summary tables are provided for a quick overview, followed by more detailed information representing the synthesis of the information collected.

Stakeholders consulted or interviewed cited capacity gaps that they or their peers have experienced. They also commented on the capacities of other stakeholders they engage with (being a supply chain, they are connected in various ways). This provided sometimes overlapping competency gaps among stakeholders. Also, some gaps can be placed in more than one section due to the way the assessment framework was constructed. For example, labour policies protecting men and women in the processing industry can be placed under

“policy” or “inclusiveness”. Nevertheless, the purpose of the framework was to harvest gaps and competencies for a future curriculum.

The results refer to the observed gaps in each of the assessed categories (six supply chain steps and three criteria) providing a maximum of 18 components per stakeholder to consider improving their competencies on. Behind each identified gap, the country with a particular issue is cited, in abbreviated letter in brackets: Cambodia [C], Lao PDR [L], Myanmar [M], Thailand [T] and Viet Nam [V].

Table 6. Stakeholder groups and corresponding CDNA section

Stakeholder	Capacity gaps section
Local communities	b1 and table 7
Local government	b2 and table 8
Local private sector	b3 and table 9
National government	b4 and table 10
Large private enterprises and national associations	b5 and table 11
Civil society	b6 and table 12

b1. Local communities: Gaps identified

This covers local forest communities and smallholders, including Indigenous Peoples, women and youth involved in managing forests, in particular community and village forestry, plantation lots, agroforestry lots, individual tree growers, plantation smallholders, village forest entities, community networks or local producer groups and associations, small entities in the primary and secondary processing sector, local or village collectors and traders of forest products who can be labelled as microenterprises operating at the household level, including those employing hired labourers (usually fewer than 10).⁹

⁹ K. Kushnir, M.L. Mirmulstein, and R. Ramalho, *Micro, Small, and Medium Enterprises Around the World: How Many Are There, and What Affects the Count?* (2010); International Finance Corporation, World Bank Group, and European Union FLEGT Facility, *Small and Micro-Sized Entities in the Mekong Region’s Forest Sector: A Situational Analysis in the FLEGT Context* (2019); A. Johnson, “Brief 2: Barriers and Opportunities for MSMEs under Demand-side Legality Policies” (2016). Local definitions of micro, small and medium-sized enterprises vary from country to country and may include such variables as turnaround and assets.

Table 7. Identified gaps by local communities that hinder them from effectively engaging in sustainable and legal forest management and trade

	Tenure	Sustainable forest management	Harvest	Transport	Processing	Trade
Ability to comply with policies and laws	<ol style="list-style-type: none"> 1. Lack of knowledge and ability to comply with legal requirements related to tenure laws and policies 2. Slow implementation or awarding of tenure and commercial rights 3. Lack of alignment of granted tenure agreements with community expectations 	<ol style="list-style-type: none"> 1. Lack of incentives to engage in sustainable forest management, with no clear outlook for benefiting from commercial rights to harvest forest products 2. Regulations and sustainable forest management guidelines do not fit with educational level or livelihood contexts 	<ol style="list-style-type: none"> 1. Complexity of regulations and harvesting guidelines to allow for legal harvesting, with costly requirements for harvesting equipment (sawmill). 2. Permit issuance process is cumbersome and slow and may involve unofficial payments 	<ol style="list-style-type: none"> 1. Lack of clarity or understanding on how to access and comply with transport procedures or obtain transport permission 2. Payment of high taxes for permits 	<ol style="list-style-type: none"> 1. Lack of awareness or ability to ensure safety and health requirements and employment benefits 2. Complex and opaque permit issuance procedures 3. Business closure and loss of employment due to lack of compliance with regulations to exclude illegal timber 4. Lack of information and motivation about benefits of registration for processing business 	<ol style="list-style-type: none"> 1. Lack of support programs enabling affordable microenterprise establishment (lower costs of licence fee of microenterprise for forest sector, access to finance) 2. Inappropriate expectations by government or buyer, which places communities at risk and unable to comply with such requirements (high investment costs, fees and taxes)

Technical capacities	<ol style="list-style-type: none"> 1. Lack of ability to follow procedures (or use technology) to register community forest, microenterprises or plantation lots 2. Land conflicts due to lack of agreed maps or boundaries 3. Inadequate capacities on participatory practices, including conflict management 	<ol style="list-style-type: none"> 1. Low productivity of forests and small-scale production by smallholders require high inputs with uncertain future benefits 2. Lack of technical skills for inventory, planning and restoration to develop economically viable and sustainable forest management models 	<ol style="list-style-type: none"> 1. Insufficient revenue due to high sustainable forest management and harvest costs 2. Unable to comply with sustainable forest management standards 3. Lack of skills, appropriate technology and safety measures <p>These technical capacities are not common practice yet for timber; they are often done by the buyer</p>	<ol style="list-style-type: none"> 1. Insufficient revenue due to high upfront costs (access, scale) 2. Lack of suitable assets to transport products. 3. Lack of skills in management and documentation to comply with regulations <p>These technical capacities are not common practice yet for timber; they are often done by the buyer</p>	<ol style="list-style-type: none"> 1. Ineffectiveness and inability to operate viable processing facilities due to lack of: <ol style="list-style-type: none"> a. access and availability of business development services b. ability to register and comply with financial requirements c. knowledge and ability to comply with standards d. technology and design skills e. management skills <p>These technical capacities are not common practice yet for timber; they are often done by the buyer</p>	<ol style="list-style-type: none"> 1. Limited options to access finance in order to scale up and meet market standards 2. Inability to access and use market information
Inclusion and empowerment	<ol style="list-style-type: none"> 1. Poor protection or lacking grievance mechanism for community land rights, often leading to conflict 2. Lack of community participation in tenure or policy processes, including their own 	<ol style="list-style-type: none"> 1. Lack of an enabling environment for community participation or consent 2. Exclusion from sustainable forest management certification processes if they 	<ol style="list-style-type: none"> 1. Unable to negotiate due to lack of information (estimated harvest volume and price information) 	<ol style="list-style-type: none"> 1. Not applicable 	<ol style="list-style-type: none"> 1. Low wages and job insecurity for women 2. Restricted access to resources and services 3. Women lack decision-making positions or representation 	<ol style="list-style-type: none"> 1. Lack of organization and bargaining power: <ol style="list-style-type: none"> a. group certification models lack buy-in due to high standards b. market benefits are not realized or shared

3. (Ethnic) women have limited decision-making power or access to financial services and landownerships

are unable to demonstrate legal land titles

2. Unequal partnerships with private sector and market actors

3. Weak participation and benefit-sharing in sustainable forest management models

Ability to comply with policies and laws

Tenure

1. The understanding on how to comply with forest land and resources tenure procedures (including user rights, land allocation, community forest establishment and plantation registration as well as commercial rights over forest products) is either unclear or lacking. A forest land allocation programme provides households with small lots [V]. As a consequence, communities are not in a position or fully incentivized to actively protect, manage or invest in forest areas, in particular with timber species that require registration when planted and not when harvest-ready. This lack of clarity can also endanger future engagement in certification processes. [C, L, M, T, V]
2. Implementation of tenure programs and the subsequent awarding of tenure and commercial rights over forest resources are slow. They are also hampered by regular policy revisions or lack of consideration of traditional land ownership systems. [C, L, M, T, V]
3. Granted tenure agreements are not in alignment with community expectations to gain benefits from their forest management investments. Many forests or native timber species require longer rotations to produce commercially harvestable products, compared to allocated tenure rights (15–30 years). In these cases, there is a risk that tenure agreements can be withdrawn without providing for sufficient compensation. [C, L, M, T, V]

Sustainable forest management

1. Community and smallholder motivation to invest in sustainable forest management will remain limited if tenure and commercial rights are not clarified regarding forest product harvesting and if appropriate incentive mechanisms are not provided by the government and supply chain actors. Taking risks through high upfront investment (mainly time and labour) in implementing sustainable forest management steps (inventory, management planning, tending, thinning and monitoring) often does not fit with communities' livelihood strategies because they are primarily agriculture-oriented. This explains why smallholders in Lao PDR, Thailand and Viet Nam often sell standing trees when they need cash without clear plans to maximize benefits or production sustainability. [C, L, M, T, V]
2. Compliance with regulations is similar to those mentioned under the challenges that communities face regarding tenure processes. The complex language of regulations is not appropriate for the education level and the expectations are not appropriate for the livelihood contexts of local communities and smallholders (because they are small in scale or lack of organization or networks). Many forest policy regulations and mechanisms are too complex and expensive to enable these actors to develop viable sustainable forest management models. Even exotic plantation species (such as acacia and eucalyptus) can lead to controversial timber due to a lack of legal compliance. Although government programs might be available to support communities, they are often unaware of such services. [C, L, M, T, V]

Harvest

1. The complexity of regulations for compliance with legal harvesting is a challenge (associated with land types recognized by law). The same is the case for harvesting guidelines, if these exist at all. In the absence of legal or operational guidelines, no timber can be harvested from a community forest or public land (such as Kor Thor Chor in Thailand) for commercial purposes, except for approved own use. In Lao PDR, provisions are made for timber harvesting for commercial purposes meant for income generation and poverty reduction. Strict and changing procedures for the purchase of chainsaws requires communities to register for permits and can only buy the saws from licensed shops (Thailand), while in Cambodia a chainsaw is only able

to be rented or borrowed from the local Forestry Administration Office. NTFPs (like rattan in Lao PDR) can also be harvested under a certification licence. When such guidelines are not available, an auditing firm needs to be hired for verification, which bears an additional cost that many communities are unable or unwilling to cover. One alternative for resolving this issue is to create national standards or a group chain of custody. [C, L, M, T, V]

2. In addition to abiding by harvesting guidelines, a permit prior to harvesting is required from local forest government agencies. In some countries (Cambodia and Myanmar), timber can only be harvested five to seven years after the management plan is approved, on which the harvest permit is also based. Most communities mentioned this process being cumbersome and slow; and some have faced instances of bribery to obtain permits. [C, L, M, T, V]

Transport

1. Transport challenges align with those faced under harvesting in terms of obtaining permits and having to deal with unofficial checkpoints and paying bribes to ease transport. [C, L, M, T]
2. If communities or microenterprises intend to manage the transport of forest products, they often are not allowed to trade forest products over district or provincial borders unless they upgrade their enterprise status and abide by those relevant regulations and fees (such as 10 per cent turnover tax and higher payments for transport permits). [L, M, T]

Processing

1. In instances in which microenterprises engage in timber or NTFPs processing (beyond basic semi-processing), they often are not aware of safety and health practices for their employees. Nor do they provide benefits and entitlements to their workers. They might not be able to comply or bear such costs to remain operational. [C, L, M, T, V]
2. Procedures for the (slow) approval of permits are complex, and there is lack of transparency for fee payments. [C, L, M, T, V]
3. In compliance with tightened regulations to exclude illegal timber, many microenterprises have closed down, in turn negatively affecting employment and income opportunities for local communities. [L, V]
4. Information or capacity to formalize activities, motivation to pursue the benefits of legal registration of a processing business and information or access to obtain legal wood are all lacking (small and medium-sized enterprises in Myanmar rarely have access to timber auctions, for instance). [M, V]

Trade

1. There is a lack of government support programs or guidelines to effectively enable microenterprises to establish themselves and be able to adapt to changing circumstances caused by new policies. No affordable registration and license fees are in place for microenterprises in the forest sector (in Thailand, the timber processing and sales permits require annual renewal, which can cause additional burdens and administration costs for microenterprises). Financial institutions also do not accept trees as collateral to provide loans (except in Thailand). [C, L, M, T, V]
2. Inappropriate expectations or requirements (high investment costs and taxes) by government agencies place communities potentially at risk and unable to comply. In Myanmar, communities are required to harvest thinning poles and collect them in a central storage to verify volume long before there is a potential buyer or even someone interested to buy. [C, L, M, T, V]
3. Without support, not many microenterprises are able to engage in more than one of the supply chain steps due to the high investment costs, a range of fees and taxes and their small operational scale. [C, L, M, T, V]

Technical capacities

Tenure

1. Communities and smallholders often lack the ability to follow established procedures and practical steps to apply and register their community forest, plantation lots or microenterprise. They also lack the capacity to use technology (such as GIS) and access data storage systems to verify a registered community forest, trees or plantation and to submit support requests or inquiries to local government agencies due to limited communication channels. [C, L, M, T, V]
2. Conflicts over land, land use and boundaries are still common among communities, government agencies and the private sector, often due to a lack of commonly agreed maps or emerging from unresolved clashes of state law and customary norms and institutions. [C, L, M, V]
3. Capacities with participatory practices and facilitation skills are inadequate, including conflict management. [C, L, M, T, V]

Sustainable forest management

1. Productivity of forests managed by communities and smallholders is often low due to poor site conditions, exposure to natural disasters, poor-quality seeds, inadequate silvicultural practices and/or the allocation of degraded forest area to develop a community forest. In such conditions, high inputs (labour and other investments) are required, with promises of short-term timber benefits unlikely unless short timber rotations are planned or NTFPs are prioritized. Communities prefer to engage in risk-averse forestry practices aligned with their livelihood context and local condition. For example, acacia smallholders typically factor in annual storms and focus on short-term rotations of no more than five years to produce wood chips, whereas longer rotations would result in higher-value timber products in demand by markets. In Lao PDR, smallholders decide for next-generation rotations to shift from teak to rubber. [C, L, M, T, V]
2. Sustainable forest management models require inventory, planning, restoration and even basic business and financial skills to operationalize commercially viable options. Where smallholder plantation lots are concerned, small sizes (less than 2 hectares) by themselves are not economically viable unless smallholders collaborate with other smallholders to increase supply. [C, L, M, T, V]

Harvest

1. High upfront costs invested in sustainable forest management practices (including reduced-impact harvesting and preparing harvesting or logging plans, as pointed out in Viet Nam) against uncertain revenues from harvests result in reluctance among some communities or smallholders to sell timber. Underdeveloped infrastructure (roads, electricity, phone signals) during the rainy season add to the harvesting costs. [C, L, M, T, V]
2. The high risk of poorly managed timber entering the supply chain in turn fetches low prices. [L, M, T, V]
3. Poorly managed timber can be further exacerbated by excluding community timber through policies demanding application of prescribed practices and technologies, which communities are unable to comply with. [L, T, V]
4. Skills to assess tree volume and technology to extract large logs or logs from remote and steep plantation sites are lacking. Extraction is hard to handle when using traditional or manual labour, without considering labour safety. [L, T, V]

Transport

1. Due to high upfront costs, communities are often unable to produce affordable timber, in particular when they lack suitable assets (such as hand tractor or

- motorbikes) to transport products effectively, for which they depend on traders or local service providers. [C, L, M, T, V]
2. Skills to fully comply with regulations, such as obtaining and carrying prescribed documentation (bills of sale, evidence of the product source and permits) to transport forest products across provinces, are lacking. [C, L, M, T, V]

Processing

1. Challenges to engage effectively and become viable to operate processing facilities are considerable for microenterprises and, as a result, many remain mainly labour-based due to:
 - a. Lack of business development services or government programs for forest-based microenterprises
 - b. Complicated paperwork for permit applications and demanding requirements (collateral) to access finance as well as application submissions for processing licenses (in Thailand)
 - c. High interest rates, low available loan ceiling and short payback periods (such as in Lao PDR)
 - d. Lack of skills and knowledge to comply with standards and use advanced technology and design skills to add value, control quality of semi- or finished-processed timber and NTFPs to comply with market demand
 - e. Lack of skills to manage microenterprises effectively
 - f. Inability to comply with labour laws. [C, L, M, T, V]

Trade

1. There are limited options for local communities and smallholders to access finance to scale up their microenterprises to improve market alignment and respond to higher standards. The challenges are manifold. Through community savings groups or village development banks, organized and registered groups of microentrepreneurs are able to leverage finance (such as community forest credit schemes in Cambodia) or access available government subsidies (if known) if secure land tenure can be proven (Thailand). [C, L, M, T, V]
2. In addition to limited business skills (see processing), a factor for success is access to and use of market information. This requires skills to build networks and relationships and commitment with customers to maintain quality and regular supply or to engage and know a country's timber sales regulations, having official registration and being able to apply for legal wood quotas (Lao PDR). [C, L, M, T, V]

Inclusion and empowerment

Tenure

1. Poor protection of and/or a lack of grievance mechanisms for community land rights against land grabs, with evictions from customary land and land concessions awarded by the State due to weak land ownership rights or unclear tenure often lead to conflict. Communities and especially Indigenous Peoples also face pressure to sell land (below the market price) for economic development. [C, L, M, T, V]
2. Weak participation of community groups in tenure processes due to limited facilitation skills of local government bodies (also within communities) or a lack of recognition for communities to (formally) voice their concerns or actively get involved in policy processes prevails (almost no local communities are directly involved in FLEGT VPA processes). [C, L, V]
3. Although national laws require that men and women enjoy equal property rights, in practice, many women, especially from ethnic communities, have no decision-making power regarding land ownership (their name is typically not included in land use certificates), including gaining access to finance. [C, L, V]

Sustainable forest management

1. A basic enabling environment in which communities (in particular, ethnic women due to language barriers) can effectively participate or in which real participation (with FPIC) is ensured is lacking. If done improperly, there will be a lack of buy-in or voluntary compliance with sustainable forest management standards and operations. [C, L, T]
2. Communities face exclusion from sustainable forest management certification processes if they cannot demonstrate legal land title. [L, T, V]

Harvest

1. Communities or smallholders often are unable to estimate the actual volume of timber harvested from their plantation and forest because traders simply offer a price for the whole stand or for mature and high-quality trees only, thereby degrading the value of the remaining stand. Communities are unable to fully benefit and are excluded from up-to-date market information. They are also pressured to sell to one or a limited number of traders who do not provide full disclosure of market prices. [L, T, V]

Transport

1. Not applicable

Processing

1. Women face discrimination through lower wages and less job security than men and are not well represented in primary and secondary timber-processing activities (except NTFPs). In most countries, women are excluded from the processing of timber and even related training. The perception is that processing is a man's responsibility. [C, L, M, T, V]
2. Women have restricted access to resources and services (legal, technical or credit) or lack decision-making power, often caused by broader traditional, cultural and social arrangements. More often than not, land is only registered in the name of the male head of household. [C, L, M, T, V]
3. Women are not in leadership or decision-making positions or have limited representation in community groups (trade associations at the national level). [C, L, M, V]

Trade

1. Community or smallholder organization and subsequent bargaining power is lacking, often due to a lack of market information or ability to calculate or measure product volumes. [C, L, M, T, V]
 - a. Group certification models still lack full results because they have been promoted to lower the cost to members through economies of scale. But they face problems associated with the persistent requirements for individuals to maintain the set standards (one person can cause the group to lose its certificate) or attract sufficient members to get to scale. Group sustainability is also challenged where market benefits are not realized or they are not appropriately transferred to group members (Lao PDR).
 - b. Women have less access to smart phones and computers (and technology) and lack access to market information (Myanmar).

2. Partnerships with the private sector exist but are not necessarily formed based on transparent information and full understanding of the agreements between parties. [C, L, M, T, V]
3. Participation and benefit-sharing between communities and the government in collaborative sustainable forest management models are often weak, especially when timber revenues are uncertain due to long gestation time for it to be harvestable. Viet Nam still lacks a clear mechanism on how funds from the PFES can be used. Benefit-sharing among community members may not always consider minority groups and women equally due to limited participation, consultation and information-sharing. [C, L, T, V]
4. Microenterprises encounter barriers to achieving and maintaining legality, to demonstrating legality and to competitiveness. CATIE-Finnfor and Forest Trends present similar findings in *Brief 2: Barriers and Opportunities for MSMEs Under Demand-side Legality Policies* (2016).

b2. Local government: Gaps identified

This level of assessment includes district and provincial agriculture, forestry, natural resources and environment offices. These stakeholders' mandates are directed by national policies and regulations for implementation in their jurisdictional areas. In addition to capacity gaps, effective local government operations depend on national-level support and guidance.

Table 8. Identified gaps by local government agencies that hinder them from effectively engaging in sustainable forest management and trade

	Tenure	Sustainable forest management	Harvest	Transport	Processing	Trade
Ability to comply with policies and laws	<ol style="list-style-type: none"> 1. Lack of clear and appropriate guidance from the national government or mandate to implement guidance regarding regulations and guidelines that communities must adhere to obtain tenure and commercial rights 2. Lack of guidance encouraging the private sector to practise sustainable forest management and effectively include communities 	<ol style="list-style-type: none"> 1. Lack of effective guidance from national government to effectively engage communities in sustainable forest management 2. Lack of implementation of effective policies for inclusion of women in forestry 3. Complex implementation guidelines lead to misunderstandings and impractical implementation 	<ol style="list-style-type: none"> 1. Lack of policy enforcement and implementation due to: <ol style="list-style-type: none"> a. misunderstandings regarding division of responsibilities among district, provincial and national levels b. Lack of understanding of definitions of legality and complex requirements for legal harvesting 2. Limited outreach and practical guidelines 3. Weak and underdeveloped online application platforms to promote transparency 	<ol style="list-style-type: none"> 1. Poor guidance in issuing permits, licenses and subsequent monitoring, often due to weak coordination among responsible agencies 2. Corruption at checkpoints affecting entrepreneurs 	<ol style="list-style-type: none"> 1. Weak compliance with legal and technical standards or lack of reporting systems, with negative implications for enterprises 2. Improper or inadequate monitoring and enforcement of compliance of legal frameworks 3. Bribery leads to reduced tax revenues 	<ol style="list-style-type: none"> 1. Lack of implementing guidelines provided by national government to microenterprises regarding access to finance by using trees as collateral 2. Limited mandate to support microenterprises in the forest sector
Technical capacities	<ol style="list-style-type: none"> 1. Inadequate capacities on participatory practices and facilitation skills, 	<ol style="list-style-type: none"> 1. Lack of participatory and technical skills to develop sustainable forest 	<ol style="list-style-type: none"> 1. Ineffective coordination among different government agencies 	<ol style="list-style-type: none"> 1. Misunderstanding mandates among local forest agencies on transport 	<ol style="list-style-type: none"> 1. Unclear procedures or guidance available or provided to 	<ol style="list-style-type: none"> 1. Limited expertise and resources to implement new and complex standards to

	including conflict management 2. Lack of capacity and accurate information from the national level to provide guidance to communities 3. Ineffective coordination among different government agencies	management models 2. Lack of supportive technology (GPS, GIS and registration platform) 3. Lack of ability to comply and interpret regulations due to: a. weak coordination with national level and other offices b. dangerous situations caused by organized crime	2. Lack of participatory and technical skills to develop sustainable forest management models 3. Limited technical knowledge and skills to introduce appropriate harvesting methods to communities	coordination and permit issuance 2. Lack of coordination and communication between district and provincial authorities to enforce the transportation permits 3. Limited technical knowledge and skills to introduce appropriate transport methods to communities	processing enterprises 2. Limited support to develop market linkages and technical assistance on value addition	combat illegality 2. Weak coordination and collaboration with relevant agencies to support microenterprise business development and market analysis
Inclusion and empowerment	1. Poor protection of local communities' rights to land resources and acceptance of customary land use rights 2. Lack of recognition allowing communities to participate in planning,	1. Lack of recognition and support for smallholder integration into supply chains 2. Lack of mindfulness to fully comprehend community livelihood strategies and incurred risks	1. Lack or inefficient grievance mechanism and subsequent follow up from responsible agencies on approval process for harvesting applications	1. Not applicable	1. Not applicable	1. Lack of clarity on benefit-sharing mechanism with local communities

implementation
and benefit-
sharing,
particularly for
women and
ethnic minorities

Ability to comply with policies and laws

Tenure

1. To enable communities and microenterprises to comply with legal norms, local government agencies need to provide more effective and practical guidance and clarification of regulations and guidelines regarding the issuance or withdrawal of rights and uses of community or village forests and village lands for households, customary use and commercial production, including timber harvesting. Instructions from the national level often do not reflect the local situation, leading to discrepancies between national and local governments and communities. This has an effect on miscommunication and misunderstanding between local government and communities. [C, L, M, T, V]
2. Awareness and mandate to provide and guide required procedures that encourage the private sector to practise sustainable forest management and avoid excluding potential partner communities are lacking. This can become a serious obstacle when communities are in the process of land tenure registration. [L, M, V]

Sustainable forest management

1. Awareness and provision of effective solutions (credit, insurance, subsidy) to the challenges (storms, diseases, supply chain disruptions, including those caused by COVID-19, tenure and commercial rights, practical guidelines) that communities or smallholders encounter is lacking. This prevents them from effectively engaging in sustainable forest management and investing in longer (more than 15 or 20 years depending on the species) tree rotations for timber production. [L, T, V]
2. Even with national policies recognizing the role of women through equal opportunities and wages, there is no active implementation or guidance of such policies in the forest sector to ensure decent wages and safe and healthy working environments. [C, L, M, T, V]
3. The complex requirements or a lack of implementing guidelines for sustainable forest management developed from national governments lead to different interpretations among local government agencies and thus misunderstandings or impractical implementation by both officials and smallholders. [C, L, M, T, V]

Harvest

1. Enforcement and implementation of policies locally is lacking, such as approval of wood quotas for enterprises or granting logging permissions. This is partly caused by misunderstanding the division of responsibilities with national-level government. Centralized and highly bureaucratic procedures at the central level (Thailand) is another factor. Lack of understanding of the legality definition and complex requirements are other factors. [L, T, V]
2. Outreach and practical guidelines or other means (self-declaration form) to harvest timber legally are limited. [C, L, M, T, V]
3. An online platform for status self-checking or submission of permit and license requests is underdeveloped and thus fails to generate transparency. [L, T]

Transport

1. The issuing of permits and business licenses face delays, and subsequent monitoring is weakly implemented due to poor coordination and collaboration with other concerned agencies (Public Works and Transportation Department in Lao PDR, for example). This creates challenges to trace the origin of forest products, in particular timber. [L, T]
2. Weak enforcement and lack of transparency using monitoring processes allows for illegally obtained forest products to enter the supply chain downstream or restricts entrepreneurs from improving practices upstream. [C, L, M, T]

Processing

1. A rapid development of regulations on the technical standards for the processing of timber and product specifications for export in response to national and international policy drivers (such as FLEGT) has implications for the implementation of laws by government agencies and the ability of all types of enterprises to comply. In Lao PDR, for example, there is an unclear recording of timber input and output in the sawmills or factories due to a lack of a system (chain of custody) for reporting to the district Office of Industry and Commerce. [L, T, V]
2. Monitoring and enforcement of compliance of legal frameworks for demonstrating the source of products and transport permits) are improper or inadequate. [C, L, M, T, V]
3. Bribery in the context of informally operating enterprises leads to reduced tax revenues for the government. [C, L, M, T, V]

Trade

1. Operational guidelines from the national government regarding the acceptance of smallholders' trees as collateral from financial institutions are lacking. These institutions are largely inaccessible, even those mandated to support poor households. [C, L, M, T, V]
2. Mandates to support microenterprises in the forest sector are limited. [C, L, M, T, V]

Technical capacities

Tenure

1. Technical capacities on participatory forest management (participatory land use planning, mapping, resource assessments) and facilitation skills (conflict management) are inadequate, especially regarding practical knowledge and skills for engaging stakeholders to institute a good governance system (considering traditional land use and ownership systems). [C, L, M, T, V]
2. Information from the national government along with accurate guidelines (registration procedures and handling of legal forms) to communities and microenterprises to prove tree and land legality are lacking. [L, M, T, V]
3. At the district and provincial levels, coordination among different government agencies is ineffective and contributes to the confusion already highlighted. [L, T, V]

Sustainable forest management

1. Technical sustainable forest management skills and associated technology (GPS and GIS) among microenterprises on registering and tracking timber or even on tracking the registration and approval status are lacking. [L, T]
2. In line with a lack of motivation for communities to fully engage in sustainable forest management due to uncertain tenure, officials with limited participatory skills struggle to work out sustainable forest management models with a clear outlook on benefits for beneficiaries. [C, L, M, T, V]
3. The ability to comply and interpret regulations is lacking, partly due to weak coordination with the national level or other offices and heavy workloads. But the dangerous situations created by organized crime or illegal networks are also part of the problem. [C, L, M, T, V]

Harvest

1. At the district and provincial levels, coordination among different government agencies is ineffective and contributes to the confusion already highlighted. [L, T, V]
2. Technical sustainable forest management skills and associated technology (GPS and GIS) among microenterprises on registering and tracking timber or even on tracking the registration and approval status are lacking. [L, T]
3. Along with technical capacity gaps already mentioned, the technical knowledge and

skills to introduce appropriate harvesting methods to communities are limited (in Viet Nam, for example, RIL or Reduced Impact Logging). [L, T, V]

Transport

1. Mandates among provincial and district forest offices and between provinces in terms of transport coordination or the issuing of permits are misunderstood. [L, T, V]
2. Coordination and communication between district and provincial authorities to enforce the transportation permits are lacking. [L, T, V]
3. Along with technical capacity gaps already mentioned, technical knowledge and skills to introduce appropriate transport methods to communities are limited. [L, T, V]

Processing

1. Procedures or guidance for processing enterprises that require verification of product source or origin are unclear. [C, L, M, T, V]
2. Support to develop market linkages between microenterprises and small or medium-sized enterprises and limited technical assistance on value addition are limited. [C, L, M, T, V]

Trade

1. Expertise and resources to implement new and complex standards to combat illegality are limited. [L, T, V]
2. Coordination and collaboration with relevant agencies, such as commerce offices, and with academia to provide practical integrated advice on timber or NTFP business planning to microenterprises are weak. Promotion policies on tree planting and business development that reflect the needs and realities of microenterprises are lacking because little market analysis has been done. [L, T, V]

Inclusion and empowerment

Tenure

1. Poor protection of local communities' rights to land resources and limited acceptance of customary land use rights still result in land grabbing and eviction from customary lands. When economic activities are prioritized, local governments overlook the harmful effects on communities (degradation of forest and farm resources and reduction of productive capacity), and they also disregard community priorities. [C, L, M, T, V]
2. Communities often lack either the rights or opportunities to actively participate in the planning, implementation and benefit-sharing of government-managed forest initiatives. This is often caused by a lack of skills and understanding of local government on how to engage and facilitate different groups or manage conflict, in particular concerning women or Indigenous Peoples. Lack of such recognition limits communities' opportunities to participate in policy-making forums or access government support or services (improved seeds, infrastructure, finance, technology). [C, L, M, T, V]

Sustainable forest management

1. Recognition and support for smallholder integration into supply chains or poor application of approaches to do so, such as participatory planning, developing appropriate practices and ensuring benefits in village forests for the production of forest products are lacking. Because national policies fail to provide practical guidance, inefficient work methods are applied without the expected results and desired impact. [C, L, M, T, V]
2. An absence of awareness inhibits local officials from fully comprehending community livelihood strategies that go beyond forestry, thereby underestimating the potential risks that communities face (as cited earlier). [C, L, M, T, V]

Harvest

1. An inefficient grievance mechanism and subsequent follow-up or guidance from responsible agencies are lacking, in particular with the approval process for harvesting applications and with the slow issuance of permits. [T]

Transport

1. Not applicable

Processing

1. Not applicable

Trade

1. Clarity on benefit-sharing mechanisms around sustainable forest management models with local communities is lacking. [C, L, M, T, V]

b3. Local private sector: Gaps identified

This section covers local-level enterprises that are small (10–50 labourers) and medium-sized (fewer than 250 regular employees). Local communities take up the role of traders and processing facilities, often providing inputs to a larger private enterprise further in the chain or they produce for the provincial market.

Table 9. Identified gaps by local private sector that hinder them from effectively engaging in sustainable forest management and trade

	Tenure	Sustainable forest management	Harvest	Transport	Processing	Trade
Ability to comply with policies and laws	1. Uncertain legal supply of forest products where communities face unclear tenure security	1. Lack of standard operating procedures for plantation establishment	1. Unclear definition of legality and complex permit requirements 2. Lack of standard operating procedures for harvesting	1. Complex procedures for obtaining permits 2. Delay in obtaining permits, leading to loss in product quality and value	1. Exclusion of microenterprises that are unable to provide required product documentation 2. Lack of a cohesive business environment to remain operational	1. Complex regulations increase costs and depress prices offered to communities 2. Lack of forest product sector promotion
Technical capacities	1. Not applicable	1. Lack of sufficient and quality supply from sustainable forest management	1. Not applicable	1. Not applicable	1. Lack of investment to modernize operations and labour skills, leading to: a. inefficient processing b. unsafe or unhealthy working environments c. lack of social benefits and employee security d. inability to obtain reliable supplies,	1. Uncertain markets and thus unwillingness to invest meeting higher standards 2. Constraints of investment or finance opportunities 3. Lack of available quality supplies 4. Costly investments to forge community partnerships and benefit-sharing modalities

						e. incurring higher costs e. business closure due to lack of compliance with standards
Inclusion and empowerment	1. Not applicable	1. Lack of supporting government programs to integrate microenterprises	1. Limited attention to communities' needs and rights or impact of business practices on their livelihoods	1. Not applicable	1. Lack of skilled local labour, leading to high costs	1. High dependency and bearing of risks associated with compliance with other supply chain actors

Ability to comply with policies and laws

Tenure

1. Companies depending on local communities for the supply of raw or semi-processed products also depend on clear tenure security for subsequent legal production and trade. For this reason, local Lao traders, for example, often support communities to obtain tree plantation certificates from the local forest office. [L, M, T, V]

Sustainable forest management

1. Standard operating procedures for plantation establishment and harvesting are lacking. This was highlighted in Myanmar, where more attention is placed on teak over other forest products (such as bamboo, which is in high demand and faces overexploitation). [M]

Harvest

1. The definition of legality is unclear and permit requirements are complex. [C, L, M, T, V]
2. Standard operating procedures for harvesting are lacking. This was also highlighted in Myanmar, where more attention is placed on teak over other forest products (such as bamboo, which is in high demand and faces overexploitation). [M]

Transport

1. Obtaining permits can be a tedious procedure, especially in situations in which multiple documents are associated with buying from multiple sources. This can be complicated where the permits must be associated with a locally set quota of forest products that are allowed to be harvested from a community forest (Lao PDR and Myanmar) or other natural forests (with exceptions for plantations). [L, M, T, V]
2. Another discrepancy in obtaining permits relates to maintaining product quality. In Myanmar, bamboo treatment needs to take place within one month after harvesting. But when the transport permit issuing is delayed, the quality of bamboo stems deteriorates rapidly. [L, M, T, V]

Processing

1. Medium-sized and large export-oriented enterprises that require compliance with international market demands may exclude informally operating microenterprises that are unable to provide legal information on the product supply they can offer. [L, M, T, V]
2. For smaller enterprises, there is a lack of a cohesive business environment and a lack of credit financing. And they face regulatory complexity (similar to microenterprises) that does not fit with their operational capacity. In addition, they find access to timber is challenging where auctions offer inconsistent timber quality and prices are not aligned with the business operations. [C, L, M]

Trade

1. A wide range of complex regulations increases costs (including bribes), affecting local private sector sourcing from communities and thus resulting in lower prices for local people. In Bokeo Province, Lao PDR, the costs of spare parts for furniture processing increased significantly when imports from Thailand across the river (less than 10 km) were blocked due to COVID-19 measures and purchases needed to come from Vientiane (more than 600 km away). In Thailand, timber processing and sales permits require annual renewal, which can cause burdens and administration costs for micro and small enterprises. [L, T]
2. There is still limited forest product sector promotion at the local and national levels. In Thailand, timber production is heavily scrutinized by urban society. Exceptions exist, such as in Nghe An Province in Viet Nam, which actively promotes bamboo and

acacia development, or in Lao PDR, where a national bamboo strategy was recently launched. [L, M, T]

Technical capacities

Tenure

1. Not applicable

Sustainable forest management

1. Where local companies are depending on their supply from local communities, there is no guarantee the products are from sustainable forest management models or are of sufficient quality. Communities who lack full land and resource rights as well as the means or capacities to operate microenterprises are often unable or unwilling to risk investing in sustainable forest management models. [M, T, V]

Harvest

1. Not applicable

Transport

1. Not applicable

Processing

1. Without investment opportunities, many medium-sized enterprises, such as sawmills and furniture manufacturers, continue to use aged technology and unskilled labour, which leads to:
 - a. inefficient processing and a surplus of underutilized leftover or waste products
 - b. unsafe and unhealthy working environments
 - c. lack of social benefits and contract guarantees for employees
 - d. a struggle to obtain a reliable and regular supply of quality or legal timber (which bears higher costs)
 - e. eventually getting disqualified or closed down as a result of lack of compliance with stricter standards. [L, M, T, V]

Trade

1. Like microenterprises, medium-sized enterprises require market guarantees in obtaining premium prices for certified products. Otherwise, they are unwilling to invest in meeting higher standards. [L, T, V]
2. Investment or finance opportunities are constrained when financial institutions charge high interest rates and demand short pay-back periods. This is increasingly challenged by insufficient and irregular timber supplies offered by smallholders, making planning uncertain due to unforeseen risks. [L, T, V]
3. There is limited interest to buy added-value products from communities (except for semi-processed products such as bamboo and rattan) due to lack of community capacity to develop quality products. [C, L, M, T, V]
4. Partnership or benefit-sharing modalities with local communities are limited because they are considered costly and carry high risk. Interest to invest in long-term relationship-building to carve out detailed business modalities is also limited. [C, L, M, T, V]

Inclusion and empowerment

Tenure

1. Not applicable

Sustainable forest management

1. Without a supporting government programme, improved community or smallholder integration into supply chains will depend on private sector companies to provide support if it serves their interest. In Lao PDR, a local sawmill that depends on timber supply from teak smallholders provides financial and training support that has yet to be made available by local government agencies. [C, L, M, T, V]

Harvest

1. In some cases, there is limited attention or interest from where and from whom products are sourced. The Myanmar country report provides an example of a company harvesting timber from a forest concession from which local communities collect forest products, but no FPIC or contact has been made. It fully disregards the communities' needs and lacks consideration of the impact that the concession has on their livelihoods. [C, L, M, T, V]

Transport

1. Not applicable

Processing

1. Skilled local labour is lacking, leading to higher costs. [C, L, M, T, V]

Trade

1. Local private sector actors often bear the responsibility (risk) of arranging and paying for harvesting and transport and to guarantee quality control and specifications. The risk of illegal timber in particular lies with unmonitored business licences, thus depends on a range of stakeholders and their collaboration to meet compliance. [L, M, T, V]

b4. National government: Gaps identified

This section includes government agencies for agriculture and forestry (such as the Forestry Department and the Forestry Administration), commerce departments and sections and research institutes related to forestry and agriculture. Dynamics between national- and local-level government mandates and policy processes are complex and interdependent, affecting capacity gaps and general needs to operate effectively.

Table 10. Identified gaps by national government that hinder them from effectively engaging in sustainable forest management and trade

	Tenure	Sustainable forest management	Harvest	Transport	Processing	Trade
Ability to comply with policies and laws	<ol style="list-style-type: none"> 1. Unfavourable legal environment or weak land administration and restrictive laws 2. Lack of systematic programs for forest-based communities to effectively benefit from or improve their livelihoods 3. Conflicting or unclear regulations and conflict with communities result in high costs 	<ol style="list-style-type: none"> 1. Insufficient recognition of sustainable forest management standards to strengthen policy priorities 2. Lack of dissemination of practical guidance for supply chain actors 3. Lack of NTFP standards 	<ol style="list-style-type: none"> 1. Complex procedures (such as chainsaw requirements) delay permit issuance 2. Limited guarantees of sustainable practices due to: <ol style="list-style-type: none"> a. lack of reliable data for forest products or resources on which quotas or annual allowable collection are based b. unclear practices when subcontracting the harvest of forest products 	<ol style="list-style-type: none"> 1. Not applicable 	<ol style="list-style-type: none"> 1. Complex procedures involving different agencies delay permit approval processes (links to other steps) 2. Inadequate regulation enforcement with sawmills and processing factories on chain of custody certification 3. Unavailable or ineffective online application system for permit requests and approvals 4. Weak compliance with legal and technical standards or lack of reporting systems, with negative implications for enterprises 	<ol style="list-style-type: none"> 1. Lack of supporting policy to promote or encourage domestic markets for certified wood products 2. Outdated and poor timber sales and royalty management systems and inefficient revenue collection 3. Inappropriate alignment with ASEAN standards 4. Lack of supporting policy to access finance using trees as collateral for microenterprises

Technical capacities	1. Insufficient intersectoral coordination or harmonization of policies or laws or economic priorities leads to violations, conflicts and stalling of investments	1. Insufficient recognition of sustainable forest management standards to strengthen policy priorities 2. Lack of dissemination of practical guidance for supply chain actors 3. Lack of NTFP standards	1. Improper implementation and monitoring skills – not in line with timber legality requirements of harvesting	1. Improper implementation and monitoring skills – not in line with timber legality requirements of transportation	1. Lack of a programme to train skilled labour	1. Improper implementation and monitoring skills – not in line with timber legality requirements (both certification and timber legality assurance system)
Inclusion and empowerment	1. Lack of practical programs to enable active participation of women or disadvantaged groups (also in government offices) 2. Lack of recognition allowing communities to participate in planning, implementation and benefit-sharing, particularly for women and Indigenous Peoples	1. Unintended consequences confronting communities due to limited and specific supporting policies 2. Unclear incentives or reward mechanisms for reporting illegal logging events	1. Not applicable	1. Not applicable	1. Lack of practical programs to enable the active participation of women or disadvantaged groups (also in government offices) 2. Weak enforcement of labour policies, with lack of protection and entitlements	1. Unclear policies defining benefit-sharing practices, or lack of compensation modalities

Ability to comply with policies and laws

Tenure

1. Frequent policy changes and some contradictions, usually accompanied by weak land administration as well as restrictive laws, ultimately contribute to an unfavourable environment for forest-based communities and smallholders to effectively benefit and significantly improve their livelihoods (in particular, to commercialize timber). [C, L, M, T, V]
2. In line with the lack of a systematic programme or consistent policies in the forest sector to effectively strengthen livelihoods through commercial options, there is a lack of fully commercially orientated community forest or like-minded models in which communities have a key role. In this context (potential programme), the role of the private sector has yet to be recognized. In Thailand, the new Community Forest Act (2019) does not fulfil the expectations of forest-dependent communities due to the exclusion of customary land use practices in protected areas and timber commercialization from a community forest. Similarly in Lao PDR, the amended Forestry Law (2019) remains unclear on commercial rights of timber for village forests, in terms of to what degree they can economically benefit. [C, L, M, T, V]
3. Conflicting or unclear regulations in concession licensing and industry regulations for plantations cause high investment costs as well as potential conflict with neighbouring communities. In Lao PDR, priority is often given to infrastructure development projects or large land concessionaires; communities often feel they receive unfair treatment and unequal law enforcement. [C, L, M, T, V]

Sustainable forest management

1. Insufficient recognition of how forest certification can complement or strengthen policy priorities creates missed opportunities to attract finance or adopt tools to demonstrate regulatory compliance. In Myanmar, the Myanmar Selection System is outdated and struggles to qualify for being sustainable to better balance the social, environmental and economic aspects. In Lao PDR, rubber (and subsequent future rubber timber) has yet to be incorporated into the FLEGT timber legality definition, which could create difficulty in meeting compliance standards. A potential missed market opportunity for Viet Nam is the lack of policy or experience to establish large timber plantations. Similarly in Thailand, no forest certification system has adapted to rubber smallholders' specific needs, and certification of rubber wood has remained low. [C, L, M, T, V]
2. Specific regulations are limited. What exists has not been disseminated to local communities, the private sector and other stakeholders using simple language, especially regarding FLEGT VPA processes and specifically on the definition of timber legality. [C, L, M, T, V]
3. No overall standards for NTFPs have been developed, nor is there a systematic process in place to develop standards. [C, L, M, T, V]

Harvest

1. Complex procedures (such as with the Chainsaws Act in Thailand) cause delays in granting permits to applicants. [C, L, M, T, V]
2. Quotas or annual allowable collection limits for NTFPs or timber are either based on previous quota figures instead of actual inventory, as a result of a lack of reliable data for forest products and resources to calculate such quotas. Also, arrangements through auctions or bidding do not guarantee sustainable practices. [C, L, M]
3. The practice of subcontracting of harvesting forest products to downstream actors makes it difficult to ensure compliance with sustainability protocols. [C, L, M]

Transport

1. Not applicable

Processing

1. Complex procedures from the national government involving different agencies at the local and national levels (Thailand) delay approval processes (this links to other steps). [L, T, V]
2. Regulation enforcement is inadequate with sawmills and processing factories when it comes to monitoring and keeping records of their input supply and output products according to the chain of custody certification system. (L)
3. The online application system for applicants to submit their request to get all related permits and to self-check the status of the approval process is unavailable or ineffective (Thailand is in ongoing development of e-Tree applications to verify legality throughout the supply chain). [T]
4. A rapid development of regulations for technical standards for the processing of timber and product specifications for export in response to national and international policy drivers (such as FLEGT VPA processes) has implications for the implementation of laws by government agencies and the ability of all types of enterprises to comply. [L, T, V]

Trade

1. Institutionalized forest certification infrastructure in ASEAN countries is lacking [C, L, M, T, V]
2. Supporting policies (lack of market research) are lacking to promote and encourage domestic markets to purchase wooden commodities from certified plantation forests (tax exempt). [T]
3. Outdated and poor timber sales and royalty management systems are still operational, with inefficient revenue collection and managing of funds, which leads to the evasion of fees, taxes and royalties. There is also a lack of timber reference sale prices to provide as a guide. [L]
4. Inappropriate use of common trade names for forest product commodities over the agreed ASEAN standards (ASEAN Harmonized Tariff Nomenclature) creates confusion and delays in trading across borders. [L]
5. A supporting policy regarding financial institutions to accept smallholders' trees as collateral is lacking. These institutions are largely inaccessible, even those mandated to support poor households. [C, L, M, T, V]

Technical capacities

Tenure

1. Insufficient intersectoral coordination and harmonization of policies and laws as well as economic priorities affect land claims. For example, land is allocated to concessions or infrastructure projects in violation of established forest boundaries and land legitimately occupied by local people but also stalling legitimate investments by credible forest enterprises that practise corporate social and environmental responsibility. Other examples demonstrating a lack of ministerial integration are the permission of issuing tenure rights or implementation guidelines for land tax exemption provision. [C, L, M, T, V]

Sustainable forest management

1. The insufficient recognition of how forest certification can complement or strengthen policy priorities creates missed opportunities to attract finance or adopt tools to demonstrate regulatory compliance. [C, L, M, T, V]
2. Specific regulations are limited regarding the FLEGT VPA processes and definition of timber legality. What exists is not disseminated to local communities, the private sector and other stakeholders using simple language. [C, L, M, T, V]

3. No overall standards have been developed for NTFPs, nor are there systematic processes in place towards doing so. [C, L, M, T, V]

Harvest

1. Expertise to conduct and monitor legality risks according to standards in timber supply chains is limited, from obtaining legal rights to commercially harvest timber to levying taxes and fees relevant to those timber harvesting activities. [C, L, M, T, V]

Transport

1. Expertise to conduct and monitor legality risks according to standards in timber supply chains is limited, from obtaining legal rights to commercially transport timber to levying taxes and fees relevant to the timber transport activities. [C, L, M, T, V]

Processing

1. There is no programme to train skilled labour in the wood processing sector. Skilled labour often originates from Thailand and Viet Nam, which does not align with government policies, such as in Lao PDR. [L, T, V]

Trade

1. Expertise and resources to implement new and complex standards required for certification and FLEGT VPA processes are limited (with the timber legality assurance system in Lao PDR and Viet Nam, for example). [C, L, M, T, V]

Inclusion and empowerment

Tenure

1. Most regulations, when in place, remain gender blind, in particular those to practically support women's or disadvantaged groups' meaningful participation, such as with skills training. This is also true in national government offices, where women are perceived as unable to do technical work (this is also the case across other supply chain steps). [C, L, M, T, V]
2. Communities often lack either the rights or opportunities to actively participate in the planning, implementation and benefit-sharing of government-managed forest initiatives. This is often caused by a lack of skills and understanding by the national government on how to engage and facilitate different groups or manage conflict, in particular, concerning women or Indigenous Peoples. The lack of such recognition limits the opportunities for them to participate in policy-making forums or access government support and services (improved seeds, infrastructure, finance, technology). [C, L, M, T, V]

Sustainable forest management

1. Broad policies often focus on protecting natural forests, which can have unintended consequences for community-managed plantations or community forests and create an uneven playing field and complexity. [L, C, M, V]
2. Incentives or reward mechanisms to report illegal logging events are unclear. [L]

Harvest

1. Not applicable

Transport

1. Not applicable

Processing

1. Most regulations, when in place, remain gender blind, in particular those to practically support women's or disadvantaged groups' meaningful participation, such as skills

training. But this is also true in national government offices, where women are perceived as unable to do technical work (this is also the case across other supply chain steps). [C, L, M, T, V]

2. Lack of formal employment contracts in the processing sector provides no formal protection and entitlements by the State. There is weak enforcement to abide by labour policies in the forest sector. [C, L, M, T, V]

Trade

1. No clear policies are in place related to community forests or other types of forests to define regulations for benefit-sharing (in particular, timber). In instances in which the government has the right to take back forestland or transfer it to other uses, there is no legal framework that provides for compensation or reduces tenure security. [C, L, T, V]

b5. Large private enterprises and national associations: Gaps identified

This section includes large private sector enterprises operating further in the supply chain and includes national business associations or sector groups.

Table 11. Identified gaps by large private enterprises and national associations that hinder them from effectively engaging in sustainable forest management and trade

	Tenure	Sustainable forest management	Harvest	Transport	Processing	Trade
Ability to comply with policies and laws	<ol style="list-style-type: none"> 1. Lack of adoption of international compliance standards in national policies creates an uneven playing field 2. Lack of commonly agreed maps and unclear regulations and responsibilities leads to conflicts over land and land use 	<ol style="list-style-type: none"> 1. Conflicting policies and laws lead to complications that are time-consuming and costly 2. Without a supporting programme, costs will be too high to support communities engaging in viable sustainable forest management models 	<ol style="list-style-type: none"> 1. Conflicting policies or laws lead to complications that are time-consuming and costly for harvesting 2. Influential or well-connected companies create uneven playing fields 	<ol style="list-style-type: none"> 1. Complex procedures for obtaining permits are costly 	<ol style="list-style-type: none"> 1. Corruption and lack of government oversight and monitoring fail to ensure an even playing field 	<ol style="list-style-type: none"> 1. Complex regulations increase costs and depress prices offered to communities 2. Demanding procedures and high costs to comply with legal procedures and export requirements
Technical capacities	<ol style="list-style-type: none"> 1. Not applicable 	<ol style="list-style-type: none"> 1. Lack of skills and knowledge and costly chain of custody requirements regarding sustainable forest management standards 2. Dependency on third-party 	<ol style="list-style-type: none"> 1. Lack of skills and knowledge of sustainable forest management standards for harvesting 	<ol style="list-style-type: none"> 1. High transport costs and low-quality infrastructure add to costs and depress the buying price offered to suppliers 2. High legal risks due to likelihood of uncertain legal 	<ol style="list-style-type: none"> 1. Lack of modernization and investments in operations and systems to meet market standards 2. Insufficient supply of quality timber 	<ol style="list-style-type: none"> 1. Lack of support and government promotion to attract investment 2. Irregular supply and quality to meet market demand due to weak supply chain coordination and high market demand

		suppliers who lack skills and knowledge on sustainable forest management standards of international certification mechanisms		timber supply		3. Weak business management expertise to maximize yields and profits from timber and plantations
Inclusion and empowerment	1. Without legal requirements, there is weak application of the Voluntary Guidelines on the Responsible Governance of Tenure and FPIC by companies	1. Lack of national-level formal associations representing microenterprises	1. Restrictions accessing timber due to requirements of formal membership	1. Not applicable	1. Not applicable	1. Weak alignment with the social dimensions set within standards 2. Limited cooperation or lack of association- or federation-building among supply chain actors 3. Lack of supporting government programme for microenterprises

Ability to comply with policies and laws

Tenure

1. The lack of adoption of international compliance standards within policies creates an uneven playing field between responsible companies and companies not following such standards. [C, L, M, T, V]
2. Conflicts over land, land use and boundaries are still common among communities, government agencies and the private sector, often due to the lack of commonly agreed land boundaries or emerging from unresolved clash of state law and customary norms and institutions. It is also due to the lack of clear roles and responsibilities (see also communities, technical, tenure, No. 2). Unclear or complex processes and regulations only add to the chance of confusing land claims and conflicts with neighbouring communities. [C, L, M, T, V]

Sustainable forest management

1. Due to overlapping or conflicting policies and laws, the development of a company master plan (including socioeconomic components) is time-consuming and complicated (lack of systematic and transparent fee structure) without a one-stop shop or window service facility run by capable staff. [C, L]
2. Sustainable forest management measures (including certification) to motivate communities to invest in longer timber rotations and thus help develop a high-performing and good-quality timber sector (linked to a government support programme) are costly. [V]

Harvest

1. Overregulation is costly for companies, especially when recurring and short-term agreements need to be developed. In Myanmar, yearly subcontracts for timber harvesting are provided that do not align with companies' long-term plans preferring multiyear concessions. In Viet Nam, there is no supporting policy to develop large-scale timber plantations. [M, T, V]
2. An uneven playing field is created by large and more influential companies being prioritized for obtaining wood quotas at below-market prices. [M]

Transport

1. A multitude of documents are required to allow for transport permits to be issued, which, for the smaller private sector actors, can be a significant burden or cost. [L, M, T, V]

Processing

1. Corruption and a lack of government oversight and monitoring fail to ensure an even playing field. [M]

Trade

1. A wide range of complex regulations increases costs (including bribes), which affects the local private sector when sourcing from communities and results in lower prices for local people. In Bokeo Province, Lao PDR, the costs of furniture processing spare parts increased significantly after imports from Thailand across the river (less than 10 km away) were blocked due to COVID-19 measures. Purchases instead needed to come from Vientiane (more than 600 km away). In Thailand, timber processing and sales permits require annual renewal, which can cause burdens and administration costs for micro and small enterprises. [L, T]
2. To comply with export requirements, companies need to submit relevant documents, in particular, where certification markets are targeted. In Viet Nam, businesses are hopeful in obtaining FLEGT licenses to facilitate exports but remain unclear about the Viet Nam Timber Legality Assurance System or process (traceability and due diligence practices). Taxation can increase costs, like in Lao PDR, which discourages

the export of unfinished products while charging additional value-added tax for exporting products. In Thailand, state enterprises are solely and legally allowed to export teak round logs and sawn timber from plantation forest only with the application of an export tariff at up to 40 per cent of its cost value. Other categories of processed timber commodities are allowed to be exported by other small, medium-sized or large enterprises, with the export tariff applied. All timber exported that originates from plantation forests requires proof of its origin and sustainable forest management certification; however, this depends on requirements from destination countries. [L, M, T, V]

Technical capacities

Tenure

1. Not applicable

Sustainable forest management

1. Skills and knowledge regard chain of custody requirements or to fully abide by sustainable forest management standards of international certification mechanisms are lacking, resulting in high costs. [L, M, T, V]
2. Large companies typically depend on third-party suppliers, which are often unable to fully comply with sustainable forest management standards, like those mentioned for Myanmar and Viet Nam. In Thailand, state enterprises have limited access to high-quality seedlings from research and development centres. [M, T, V]
3. State enterprises (in Myanmar and Viet Nam, for example) lack the skills to develop and implement sustainable forest management plans according to set standards (such as the Myanmar Selection System). In fact, these models are often not self-reliant or competitive in the market or they depend on subsidies from the government. [M, V]

Harvest

1. Subcontracted companies supplying timber do not fully comply with sustainable forest management or certification standards. [M, V]

Transport

1. High transport costs and low-quality infrastructure add to the costs of products or depress the buying price offered to suppliers (including microenterprises). [L, T]
2. Uncertainty of the legality of supplied timber carries a legal risk. [V]

Processing

1. Similar to medium-sized enterprises, larger companies must modernize and invest in their business operations and systems, including technology and modern machinery, to minimize leftovers from processing (the state enterprise in Thailand faces outdated processing machinery to optimize its timber value) and to meet stricter market standards. This includes setting up an often-lacking management system, based on ISO standards. [L, M, T, V]
2. The supply of quality timber is insufficient due to limited plantation quality (smallholders, companies) and scale. [L, T, V]

Trade

1. Government support for product or sector promotion (modernizing) to attract investment and gain market attention is lacking. [L, T, V]
2. An uncoordinated network (lack of information exchange) and high market demand lead to the irregular and untimely supply or insufficient quality of products to meet the market demand from third-party suppliers. [L, T, V]
3. Business management expertise to maximize yields and profit from timber sales and plantation management in order to cover all associated costs is weak, including FSC-

certified sustainable forest management and chain of custody certification audits. [M, T, V]

Inclusion and empowerment

Tenure

1. If by law companies need to carry out an environmental impact assessment, they are meant to seek out all stakeholders to provide inputs into the assessment. Companies that subscribe to the Voluntary Guidelines on the Responsible Governance of Tenure are also required to seek FPIC. However, this is not adopted by all companies operating in the forest sector or required by national governments. Socio-environmentally responsible companies claim to hold to stricter policies than what is required by a country's law. [C, L, M, T, V]

Sustainable forest management

1. At national levels (Cambodia, Lao PDR, Myanmar), there is a lack of formal smallholder plantation growers or community forest associations or other representing bodies to provide support or lobby in the forest sector. They typically exist at the district or provincial level (teak plantation groups in Lao PDR) but lack integration in policy platforms. [C, L, M]

Harvest

1. An uneven playing field in the timber sector due to powerful and well-connected business arrangements restricts other stakeholders from participating. In Myanmar, for example, only members of the Myanmar Forest Products Merchants Federation can obtain their wood. [M]

Transport

1. Not applicable

Processing

1. Not applicable

Trade

1. Certification standards require abiding by a range of social dimensions that are strictly monitored during an audit. [C, L, M, T, V]
2. Cooperation among plantation groups, sawmills and processing factories throughout the supply chain is limited. This requires microenterprises to emerge (challenged by a lacking government support programme) to support the supply to the industry. This particularly applies when a country is planning to engage with export markets (such as the FLEGT VPA processes, where the private sector tables this). [C, L, M, T, V]

b6. Civil society: Gaps identified

This section includes both local and national-level NGOs or not-for-profit associations with a mandate in the forest sector. They work closely at the community level or have ongoing projects with communities. They focus on sustainable development, forest product development (timber and NTFPs), empowering women and minority groups, community-based enterprise development, climate change and forest legalization (including in FLEGT consultations).

Challenges relate to all six steps of the supply chain because none of the assessed civil society organizations or NGOs have any particular role or supply chain specialization. This is overlapping for all countries.

Table 12. Identified gaps by civil society that hinder them from effectively engaging in sustainable forest management and trade

	Tenure	Sustainable forest management	Harvest	Transport	Processing	Trade
Ability to comply with policies and laws	1.	Legal registration is required, with some countries having restrictions [L, M, V] for the active participation of civil society in the VPA and in forest governance (advocacy, policy dialogue).				
	2.	Unclear, complex and delayed implementing guidelines, including guidance from local governments, lead to different interpretations among civil society organizations as well as smallholders and local communities (such as Thailand for its recent land tenure reform policy and amended forestry laws).				
Technical capacities	1.	Civil society organizations and NGOs require technical knowledge and analytical skills (regarding amended forestry and land tenure laws and policies, sustainable forest management standards and implications for communities) to facilitate and coordinate the right information required to effectively take part in policy dialogues and policy advocacy.				
	2.	Civil society organization and NGO coordination and the accessing and sharing of information all need improving. Policy positions are needed that present civil society and NGO's concerns and solutions to policy-makers. A more collaborative approach with other institutions to monitor the implementation of laws and policies also needs improving.				
	3.	Civil society organizations and NGOs' ability and motivation to contribute to sustainable forest management dialogues is limited without additional resources.				
	4.	Civil society organizations and NGOs have limited skills to strengthen value or supply chain collaboration among actors or provide tailored support.				
	5.	Civil society organizations and NGOs have limited skills to simplify and visualize technical concepts and translate legal language into doable action.				
	6.	Many civil society organizations and NGOs are absent in provincial settings or have an ad hoc relationship with groups based there and thus face an incomplete understanding of forest governance priorities countrywide.				
Inclusion and empowerment	1.	Civil society organizations and NGOs have limited political power or influence in a VPA process (except in Thailand).				
	2.	Civil society organizations and NGOs have limited skills to raise awareness or implement FPIC, gender equality and social inclusion measures.				

Other stakeholder groups

- In Viet Nam, staff with research and training institutes such as the Vietnamese Academy of Forest Sciences were also interviewed, and some of the responses were similar to the civil society organizations in terms of lacking decision-making power in policy-making.
- Certification bodies and consultants mentioned there is a weak understanding of the fast-changing standards or the concepts of legal trade associated with sustainable forest management [L, T, V]. Due to the lack of forums or other networking and information-sharing opportunities, there is also slow uptake to develop national standards. There is a lack of local service providers to conduct audits, and most supply chain actors are unable or unwilling to bear the costs by themselves.

IV

IDENTIFYING STAKEHOLDERS' REQUIRED COMPETENCIES

This chapter presents an interpretation of the results from the situational analysis and the CDNA. The purpose is to inform the process for developing a response and a capacity-development programme for local and national stakeholders. The capacity-development programme proposed in the next Chapter 5 includes various interventions that can help value chain stakeholders build up competencies that correspond to the barriers they experience.

The competency level of a stakeholder refers to the ability of a person or institution to perform a certain task with the minimum level of knowledge, skills and past experience required for the said task. The competency (knowledge, skills and attitude) levels indicate how well the task is or can be performed to achieve desired objectives and results. If this competency level is not to the prescribed level, then it is likely there is a lack of ability or a gap in the capacity to perform specific tasks and achieve desired outcomes.

The discussion in this chapter reflects this premise. For example, the CDNA results (Chapter 3) indicate that certain procedures mandated by law (register land or apply for a harvest or transport permit) are not sufficiently clear or are otherwise difficult for local communities and even some private sector actors to follow. This is due to the use of technical language or unclear explanations by local government agencies when providing guidance for registration processes to local communities. The latter are often considered incompatible with the local forestry context in which local communities operate. As such, the capacity gap is phrased as “lack of ability to effectively simplify language of policy procedures”.

Information on capacity gaps from the five Lower Mekong countries was guided by the theoretical framework (table 2) to ensure the collection of a range of perspectives on the effectiveness of different stakeholders to provide an enabling environment for and to engage in sustainable and legal forest product value chains.

This chapter is divided into two sections: “local context” (table 13) and “national context” (table 14), each combining the range of local actors and national actors identified in Chapter 3. The capacity needs of the different stakeholder groups may not always overlap, but they intersect and are connected. To achieve effective engagement of actors in forest product value chains, increasing the capacity of only one actor is insufficient. It requires improving the capacities of other actors to improve the overall functioning of various elements in the value chain. For instance, during the process of negotiating prices of a product, community groups and a private sector enterprise may need to perform in a specific way to come to an agreement that benefits both parties. Or during the registration process of forest land or a community enterprise, local government officers need to clearly guide the relevant procedures that local communities must follow and comply with.

Within the tables here, primary attention is directed to the capacities to support local initiatives that will enable the different stakeholders' effective facilitation of or participation in

legal and sustainable forest product value chains. It will also improve collaboration among actors at each supply chain step, as relevant. Regarding the local context capacity needs, potential synergy is anticipated with the SFT-LMR Initiative's output 2.5 on "Identifying and developing viable forest production models for the supply of sustainable timber". For that purpose, the first part of table 13 refers to capacity needs associated with supporting participatory sustainable forest management and partnership models. These models are vital to ensure that local stakeholders can engage in and benefit from sustainable forest management in a participatory manner and with more equitable economic outcomes.

The second part of the table includes some needs that are not directly related to the value chain stakeholders' capacities. They refer to the capacity needs of indirect actors, or conditions that influence or impact the desired outcomes of the project that are outside of RECOFTC's proposed interventions but will have an effect on the project.

a. Local context: Capacity needs

Table 13 outlines the main capacity needs identified at the different steps of sustainable (and legal) forest product value chains – notably for timber – for local stakeholders, including local communities, local government agencies, local private sector and local civil society organizations and NGOs. The national government capacity needs are also reflected in this table, corresponding to the gaps among local government agencies that are somehow caused by the lack of capacity of or guidance from the national government. The first part (Nos. 1–12) of the table refers to competencies that are in line with project output 2.6 ("Community-based groups' and 'smallholders' access to legal and sustainable forest product value chains enabled") but also reference output 2.5. Competencies mentioned under Nos. 13–17 cover needs that are outside the scope of output 2.6, but potential links to other outputs are provided.

Overall, local communities and smallholders struggle to engage effectively and benefit from their role in supply chains, mainly to the point of selling to traders and processors. Policies related to timber from natural sources, but also to a certain degree from planted sources, pose such barriers that communities and smallholders think to abandon or have abandoned tree planting. Community engagement in timber is still sensitive and not fully clarified in laws where this concerns public versus private land. Nevertheless, there are some shifts taking place in forest laws, such as in Lao PDR and Viet Nam, creating opportunities for engaging communities in commercial timber management and trade. Natural timber through community management is still an obstacle in the legal framework in Cambodia, while in Myanmar, it has only recently been included in the revised Community Forestry Instruction (2019). It will be years before timber harvest on public land is allowed by law. This process of formalizing community engagement in commercial forestry in both countries is delayed due to the lack of clarity of community forest land zoning, where governments place more emphasis on conservation rather than providing rights over production forests. Policy in Thailand tends to more easily allow smallholders and local communities to benefit economically from NTFPs and ecosystem services, such as ecotourism. However, commercial rights for timber remain unclear for public land and forest communities. The uneven playing field between those growing trees on public land and private land in the timber sector results in communities being positioned merely as suppliers to the private sector rather than developing economic opportunities for them to engage throughout the supply chain.

Among the Lower Mekong countries, local experiences with sustainable forest (timber) business or partnership models involving local communities and the private sector are few. This is especially true when success is measured in terms of equality in partnerships or

available government support programs for microenterprises. Based on the reviewed literature and confirmed through insights from this research, the entry point of any partnership modality, whether led by government (participatory sustainable forest management) or private sector business models, must be based on creating sufficient understanding of the model and addressing expectations of the actors involved. Ignoring FPIC and local values, excluding community groups or raising high expectations ultimately will lead to disappointments or even conflict. And it likely will end with underperformance of the model.

A well-documented case is the Luang Prabang Teak Programme in Lao PDR, which supported teak smallholders to apply for FSC certification. Being awarded the FSC licence depended on donor support. But smallholders were responsible to maintain the licence. After the project ended, smallholders were required to cover the high audit costs, which were not offset by the price premiums for certified wood, and they lost the licence. Without having clear expectations, a long-term plan and an exit strategy for the project to phase out support, the certified smallholders were unable to maintain the business model for supplying certified timber. The model also lacked strong collaboration or organization among the teak smallholders, inhibiting them from effectively accessing markets and achieving expected profits. With regard to the latter, national-level associations or networks are getting stronger in Thailand and Viet Nam and have a better opportunity to effectively engage in partnership models and in policy platforms

Table 13. Capacity needs of local stakeholders to effectively engage in sustainable forest management and trade

No.	Requirements to develop effectively participatory sustainable forest management and partnership models	Target group	Tenure	Sustainable forest management	Harvest	Transport	Processing	Trade
1	Simplify language of policy procedures (such as permit application) and subsequently improve dissemination or application of guidelines from national government agencies to local government agencies (community forest registration, management plans, harvesting guidelines) while clarifying benefits, roles and expectations, and considering women's participation in local communities	GA, CS	x	x	x	x	x	x
2	<p>Improve understanding among stakeholders, by facilitating dialogues to:</p> <ul style="list-style-type: none"> Review, clarify and identify agreements in land allocation or tenure processes, including commercial rights of timber and NTFPs on public land and community managed forests by local communities and smallholders to thus promote clear ownership of trees and legitimate rights to grow, harvest and trade them Develop protection and safeguard measures to secure systematic access to land and impact of large-scale investments on community needs and rights 	All	x	x	x	x	x	x
3	Strengthen the role of communities (and civil society organizations) in policy planning and decision-making processes to enable an appropriate policy framework for them, in particular, regarding public land and natural forests	GA, LC, CS	x	x	x			
4	Improve enabling environments (coordination, grievance mechanisms) to strengthen community participation and their role representing local communities in decision-making and benefit-sharing in supply chains	GA, PS	x	x	x	x	x	x
5	Develop a systematic programme, including financial and technical assistance, for sustainable microenterprise development	GA	x	x	x	x	x	x
6	Encourage collaboration and strengthen partnership agreements (compliant, fair, mutually beneficial) between local communities or	all	x	x	x	x	x	x

	smallholders and private sector enterprises, with support and monitoring by local government agencies							
7	Improve the dissemination (including planning, implementation) of quality information, services and inputs (quality seedlings, silviculture techniques, investment or credit) for smallholders, especially women, to manage microenterprises	GA, LC, PS		x	x	x	x	x
8	Support the development and institutionalization of grievance mechanisms	All	x	x	x			
9	Improve business skills, including enterprise management; organization; access to finance, efficient technology and market information; risk analysis and mitigation; and product design and quality in compliance with national or voluntary standards and market demand	LC		x	x	x	x	x
10	Raise awareness and encouragement for women's and Indigenous Peoples' participation, representation and decision-making (in community or producer group regulations)	All	x	x	x	x	x	x
11	Address barriers (job security, equal wages, safe working spaces) to the meaningful participation of women and Indigenous Peoples through the systematic or preferential support (microfinance, low interest credit or loans, capacity development programs) to level the playing field in which they operate or want to operate in	GA	x	x	x	x	x	x
12	Improve recognition and development of labour safety measures and employment benefit requirements, in particular for women	GA, PS		x	x	x	x	x
Other support needed with potential links to other project outputs								
13	Improve access to appropriate and cost-efficient technology (links to output 2.5)	PS, LC		x	x	x	x	x
14	Improve forest protection and utilize tools to combat illegal actions (links to outputs 2.3 and 2.7)	GA, CS		x	x	x		
15	Improve the monitoring of issued permits, inspections and law	GA	x	x	x	x	x	x

	enforcement to avoid illegal trade (links to outputs 2.3 and 2.7)							
16	Develop local skilled labour to reduce the cost of expensive technicians (links to output 2.5)	GA, PS		x	x		x	
17	Improve access to services and resources (quality seedlings, research and development programme, market information, reference prices of timber, appropriate technology and innovations) for smallholders, microenterprises and the private sector (links to output 2.3 and 2.5)	GA, LC	x	x	x		x	x

Note: LC = local communities, PS = private sector, CS = civil society, GA = government agencies.

b. National context: Capacity needs

Table 14 outlines the main capacity needs identified at the different steps of sustainable (and legal) forest product value chains – mostly for timber – of national stakeholders, including national government agencies, large private enterprises, national associations and civil society organizations.

The first part (Nos. 1–6) of table 14 refers to competencies that are in line with output 2.4 (“Capacities of national institutions built up to allow them to operationalize improved forest governance, sustainable forest management and forest product trade”) that ultimately help address and enable stakeholders targeted under output 2.6 (“Community-based groups’ and smallholders’ access to legal and sustainable forest product value chains enabled”), with reference to output 2.5. Competencies mentioned under Nos. 7–11 cover needs that are outside the scope of output that RECOFTC is tasked with, but links to other outputs are provided.

Table 14. Capacity needs of national stakeholders to effectively engage in sustainable forest management and trade

No.	Requirements to develop effectively participatory sustainable forest management and partnership models	Target group	Tenure	Sustainable forest management	Harvest	Transport	Processing	Trade
1	Develop and disseminate clear and simple guidance to reduce conflict over public land and natural forest boundaries and to enable stakeholders to abide by regulations to ensure legality of forest product value chains (timber legality definitions, chain of custody, permit applications) to provide accurate and clear guidelines to local government agencies	GA	x	x	x	x	x	x
2	Recognize and provide support to microenterprises to develop into viable business actors throughout forest product value chains (to enable them to partner with the private sector and supply high-quality, legal and sustainable products)	GA	x	x	x	x	x	x
3	Recognize the need for establishing and implementing benefit-sharing or a compensation mechanism when developing viable sustainable forest management models that create incentives for all	All		x				x
4	Improve the role of women in the supply chain and ensure safeguards for women in the forest sector, established through FPIC mechanisms and targeted policies	GA	x	x			x	x
5	Establish national representation or formal associations of microenterprises	All	x	x	x	x	x	x
6	Establish and monitor the forest governance system independently to ensure just law enforcement by governments and identify gaps for further improvement or support	CS	x	x	x	x	x	x
Other support needed with potential links to other outputs								

7	Embed compliance standards (including sustainable forest management standards, the Voluntary Guidelines on the Responsible Governance of Tenure, FPIC and labour policies) in national policies on implementation and monitoring to reduce the uneven playing field and risks (costs, illegal timber) for enterprise initiatives (links to outputs 2.1, 2.2, 2.3 and 2.5)	GA	x	x	x	x	x	x
8	Establish a centralized data management or single-window system to assess and monitor harvesting quotas and allowable cuts, in compliance with sustainable forest management principles, including all related permit-approval processes along the supply chain (such as the e-Tree apps in Thailand) (links to outputs 2.1, 2.2, 2.3, 2.5, 2.7 and 3.1)	GA		x	x	x	x	x
9	Recognize and provide support to microenterprises to develop into viable business actors throughout forest product supply chains and that are able to partner with the private sector and to supply quality or legal products (links to outputs 2.3 and 2.5)	GA	x	x	x	x	x	x
10	Train skilled labour to reduce the cost of hiring technicians from abroad and to attract finance to modernize technology (links to output 2.5)	GA, PS					x	
11	Recognize opportunities of embedding sustainable forest management standards into domestic and foreign policies to promote and attract investment (links to outputs 1.2, 1.3, 2.1, 2.2, and 2.3)	GA, PS					x	x

Note: LC = local communities, PS = private sector, CS = civil society, GA = government agencies.



PROPOSED INTERVENTIONS TO ADDRESS REQUIRED STAKEHOLDER COMPETENCIES

Based on the findings of the situational analysis and the CDNA, this chapter offers recommendations on possible capacity-development interventions to address the gaps and challenges towards sustainable and legal forest management and trade in the Lower Mekong countries, in particular through the certification of timber. The interventions presented for the local context (table 16) and national context (table 17) include trainings and other modalities of capacity-building, such as awareness-raising, piloting and workshops in which stakeholders are expected to apply their improved competencies. These should subsequently lead to improved collaboration efforts and to the more effective and sustainable forest management and trade of forest products, with the purpose to combat illegal logging and the illegal trade of timber.

Not all of the gaps cited in the CDNA can be redressed by training. Some gaps require other forms of interventions, such as a policy review, development and dissemination of products (simpler guidelines) or policies and programs (promotion of responsibly produced wood products), enhanced access to financing and increases in relevant and more efficient infrastructure and technology.

Each of the capacity-development interventions builds on the others in terms of raising the competencies of the targeted learners. Based on the findings, four categories of interventions are recommended, to be delivered under the UN-REDD SFT-LMR initiative:

1. Training
2. Awareness-raising
3. Piloting or action research
4. Targeted workshops

These are further defined as follows:

Training to be delivered by RECOFTC through a series of training events at the local, national and regional levels to strengthen the capacities of the targeted stakeholders. Depending on the national and regional contexts and developments, these capacity interventions will be (i) fully online, (ii) a mix of classroom and online training or (iii) fully classroom training. These learning interventions aim to strengthen the competency of targeted stakeholders in three areas:

1. **Knowledge:** information, theories and concepts that the targeted participants should know, understand and are able to explain to various contexts
2. **Skills:** the ability to analyse and perform specific tasks, methods and activities comfortably and effectively in a logical manner
3. **Attitudes:** the set of expected behaviours and actions regarding a specific topic, based on the feelings, thoughts and experiences of the targeted participants while performing their mandated tasks.

Any post-training (mentoring, backstopping) will be linked with the following capacity-development categories, to be led by other project partners.

Awareness-raising through conventional and innovative approaches comes about by bringing particular issues or topics to people's attention and by placing on an agenda the topics that require more attention.

Piloting or action research means to apply new knowledge, skills and attitudes in practice while reflecting on the outcomes. Developing and testing a participatory sustainable forest management model with local stakeholders is a good example. Piloting in this project will not be elaborated at the national level.

Workshops are useful for the interactive practising of skills and learning; for sharing lessons learned, best practices and innovation; and for meaningful discussions and dialogue. Through this approach, a culture of continuous learning, adapting and implementing can be fostered. This can result in communities of practice that promote, support, advise and mentor at the regional and national levels. This can extend the sustainability of the proposed capacity-building interventions beyond that of a one-off activity. All this can improve and foster better communication and understanding of the different perceptions and expectations of the different stakeholders. The reflections and learning from these workshops can inform policies and practices at the national and regional levels and, where possible, work towards improving a particular situation or perhaps adapt policies as a result.

The RECOFTC training programme will be initiated by targeting local stakeholders in three selected countries (in local languages), followed by a national training in two selected countries (in local languages) and regional trainings (in English). The regional trainings will benefit all five Lower Mekong countries. Details of the process and approach for delivery of the training programme is explained in table 15.

Table 15. Process and approach for delivery of the training programme at local, national and regional levels

Local or landscape context	National context
<ul style="list-style-type: none"> ● Prioritized trainings (two) for mixed local-level or landscape-level participants, including local communities, local private sector and local government agencies (where possible, associated with output 2.5 to ground the training results). These local trainings will incorporate lessons and cases from the local-level training into the national-level training. ● RECOFTC country trainers in three countries provide the training in collaboration with other project partners. 	<ul style="list-style-type: none"> ● Prioritized trainings (two) for national participants from national government agencies and other stakeholders to be identified per country (depending on the topic). ● RECOFTC country trainers in two countries provide the training in collaboration with other project partners.
<ul style="list-style-type: none"> ● Regional trainings (two) to train selected stakeholders from five countries (English-speaking local stakeholders from government agencies, civil society organizations, NGOs and the private sector). 	<ul style="list-style-type: none"> ● Regional trainings (two) to train selected national stakeholders (from government agencies, civil society organizations, NGOs and the private sector) from the five countries.

At its core, RECOFTC training closely adheres to the principles of adult learning and is directed by the experiential learning cycle process, which creates the space for participants to utilize and reflect on their own experiences while creating an atmosphere in which positive competency development is encouraged and supported. Participants will increase their needed knowledge base and strengthen their skill sets, which in turn can bring about shifts in attitude that will help them to perform their mandated tasks more effectively and efficiently. To the extent the project is able to, specific capacity needs of the targeted priority stakeholder groups will be addressed. Backstopping, mentoring and solicited advice can be provided to other targeted groups based on needs.

After RECOFTC has implemented the capacity-development plan, the onus remains on the targeted participants to put their learnings to use and operationalize their action plans to achieve objectives. Trained participants are encouraged to provide ad hoc support to peers or colleagues post-training. Concrete plans to provide backstopping, mentoring and support will be put in place for the trained participants to run their own capacity-development interventions, such as follow-up trainings, workshops and dialogues with target groups they have determined as priorities. It is imperative that current programs and related initiatives set aside the needed resources for the implementation of these action plans. Suggestions on how this initiative can support the participants' action plans are indicated in tables 16 and 17 under the heading "RECOFTC suggests to partners to consider delivering the following interventions".

a. Local context: Proposed capacity development programme

Local stakeholders include local communities, local government agencies, local private sector and local civil society organizations. The proposed capacity-development topics cover priorities as discussed at the country level between RECOFTC and FAO. The first part of table 16 refers to capacity-development interventions proposed by RECOFTC, which will cover local trainings for three countries and two regional trainings. In consultation with selected RECOFTC country programs and local partners, local-level priority topics will be incorporated into the training curriculum. The second part of the table refers to suggestions of how trained participants can use their improved competencies in their own work or, where possible, how these could be associated with other project partners' initiatives.

Table 16. Proposed capacity-development programme for local stakeholders to effectively engage in sustainable forest management and trade

Proposed capacity development	Priority as identified per country	Recommended topics (this topic will help solve...)	Target participants and stakeholders (trainee)	Service provider and partner (trainer)
1. RECOFTC proposed training curriculum				
1.1 Training	Skills for effective engagement and inclusion on selected topics with other stakeholders. Training will provide participants with the specific knowledge, skills and attitudes needed to be more effective in:			
Cambodia, Lao PDR, Myanmar, Thailand, Viet Nam	<ul style="list-style-type: none"> ● Designing simple, effective guidelines with or for communities, including topics on: <ul style="list-style-type: none"> ○ Village forest management planning for Lao PDR ○ Public guidelines and processes for forest communities in Thailand ○ Participatory sustainable forest management guidelines in Cambodia ○ Guidelines on silviculture techniques, processes and sustainable forest management for both timber and NTFPs for Cambodia, Myanmar and Viet Nam. 	GA, CS	RECOFTC	
Lao PDR, Viet Nam	<ul style="list-style-type: none"> ● Policy dialogue engagement (tenure and commercial rights, protection measures). 	GA, CS	RECOFTC	
Myanmar, Viet Nam	<ul style="list-style-type: none"> ● Gender mainstreaming and social inclusion in forest trade and gender leadership: with attention to safeguards, strengthening the role of women and Indigenous Peoples' participation in representation and decision-making processes. 	GA, CS	RECOFTC	
Lao PDR, Myanmar	<ul style="list-style-type: none"> ● Sustainable forest management model development with benefit-sharing modalities. 	GA, CS	RECOFTC, PEFC	

Thailand, Viet Nam	<ul style="list-style-type: none"> Partnership development between local communities and local private sector (links to output 2.5). 	GA, CS	RECOFTC, PEFC, WWF
Lao PDR, Myanmar, Thailand, Viet Nam	<ul style="list-style-type: none"> Understanding tenure and commercial rights in the context of sustainable forest trade to obtain assured timber legality certification and increase community equity and accountability (simplified procedures of self-declaration of low-risk timber, GIS application for locating tree plantations and their tenure status). 	LC, GA	RECOFTC, PEFC
Myanmar, Viet Nam	<ul style="list-style-type: none"> Designing and implementing FPIC for sustainable forest trade; how to mainstream FPIC processes and principles in sustainable forest trade programming and implementation; setting up and monitoring grievance and redress mechanisms; and ensuring FPIC principles in developing sustainable forest management models and business partnerships. 	GA, PS	RECOFTC
(Not prioritized but emerging from analysis)	<ul style="list-style-type: none"> Conflict management related to rights and responsibilities, tenure and benefit-sharing. Includes types of conflict, parties involved, stages of conflict, causes of conflict in sustainable forest trade, identifying targeted conflict management prescriptions and options, and designing processes to manage conflict. Also includes communication, facilitation, negotiation and mediation skills development. 	GA, PS	RECOFTC
Cambodia, Myanmar, Thailand, Viet Nam	<ul style="list-style-type: none"> Community and microenterprise management and development, including topics on: <ul style="list-style-type: none"> Establishing and strengthening group organization and regulations and legal registration, according to country procedures Management skills and organizational skills within the community and with other stakeholders (partners) Build administrative, financial and planning skills to demonstrate compliance and cost-effectiveness, and produce reliable product supply to market or the private sector Accessing market information, services and inputs, with particular attention to women entrepreneurs. 	LC, CS, PS	RECOFTC, WWF

2. RECOFTC suggestions to apply training results

2.1 Training	Myanmar, Thailand	<ul style="list-style-type: none"> ● Training and provision of guidelines to: <ul style="list-style-type: none"> ○ Facilitate and accelerate digital transitions in supply chains (online portal or database for submission of permit applications, self-checking status of approval process, land tenure registration, customs clearance and pre-approvals) ○ Improve the monitoring of permits and law enforcement to mitigate illegal trade and corruption. 	GA (LC, CS)	Outside RECOFTC scope
2.2 Piloting, action research	Cambodia, Lao PDR, Myanmar, Viet Nam	<ul style="list-style-type: none"> ● Participatory sustainable forest management model development around improved productivity and a clarified benefit-sharing mechanism, including co-development and piloting of practical sustainable forest trade guidelines (such as for commercial timber on public land in Thailand). ● Participatory sustainable forest management requires sufficient freedom to allow for the adaptations agreed upon and relevant for involved actors. The potential risks for a successful model caused by external factors (climate change, market dynamics, changing policies) and internal factors (quality forest resources, available human assets, financial and technical assets) drive adaptive management. ● The participatory sustainable forest management model might prioritize environmental and social priorities, with attention to NTFPs and PFES, as opposed to the partnership model with a primary timber and economic focus. 	GA, LC	<p>RECOFTC can provide coaching based on trainings conducted</p> <p>GA to implement training or model development, linked to other outputs</p>
	Thailand	<ul style="list-style-type: none"> ● Partnership development between responsible private sector enterprises and local communities, including benefit-sharing mechanisms, access to appropriate technology and finance. Adaptive management mentioned under participatory sustainable forest management is also relevant here. 	GA, PS, LC	<p>RECOFTC can provide coaching based on trainings organized with partners, with links to output 2.5</p> <p>GA to implement</p>

				training or model development, linked to other outputs
	Thailand	<ul style="list-style-type: none"> Application of an online portal or database for submission of permit applications (such as the e-Tree apps in Thailand) and a self-declaration form for plantation forests in public lands. 		Links to outputs 2.1, 2.2, 2.3, 2.5, 2.7 and 3.1
2.3 Awareness raising	Cambodia, Lao PDR, Myanmar, Thailand, Viet Nam	<p>Topics include:</p> <ul style="list-style-type: none"> Promoting and rolling out of developed guidelines related to procedural and legal processes related to sustainable forest trade, including <ul style="list-style-type: none"> Community Forest Act in Thailand to promote benefits and commercial rights and use of the self-declaration mechanism and registration of land under the plantation act. Clarify the role and contribution of communities (and civil society organizations) in policy planning or decision-making and supply chain processes to strengthen the forest sector (such as policy brief). Access to finance: village development funds, credit schemes and trees for collateral requirements (Lao PDR). Access to relevant and pertinent information related to sustainable forest trade. <ul style="list-style-type: none"> Viet Nam focuses on linking the opportunity between the local community and the forest certificate. Advocacy on gender mainstreaming and social inclusion in sustainable forest trade. Advocacy on human rights and labour standards, including labour safety measures (harassment), and employment benefit requirements (equal pay, workers' rights, paid sick leave), in particular for women. 	GA, LC	Trained agencies in various sessions and participating pilots (lessons to be taken into follow-up trainings)
2.4 Workshop: learning and sharing,	Lao PDR, Myanmar, Thailand	<ul style="list-style-type: none"> Designing and implementing learning and sharing initiatives using participatory methodologies and approaches with various actors in the forest products supply chain: 	GA, LC, CS	Trained agencies in various sessions and

**discussion,
dialogue**

- Lao PDR aims to build mutual understanding on updated policies, laws, implementing guidelines for national standards and certification and developing agreements among relevant stakeholders
- Myanmar will focus on forest inventory, forest certificates, transportation and processing of the chain.
- Skills to harvest and co-create meaningful “stories”, lessons learned and best practices on effective sustainable forest trade modalities:
 - Lao PDR will focus on commercial rights from a village forest and benefit-sharing scheme for production forest timber trading as well as using trees as collateral
 - Thailand demonstrates legal timber trade from public lands and aims to advocate for community forest area commercialization
 - Myanmar will focus on gender balance as part of the success story of sustainable forest trade.
- Designing strategies to amplify meaningful stories, lessons learned and best practices on effective sustainable forest trade modalities.
- Follow-up interventions and programs (including mentoring, backstopping) that ensures continuous and long-term learning and sharing (quarterly webinars and co-learning labs, newsletters, social media presence) on the following aspects (but not limited to):
 - Community role in platforms and decision-making processes (wide range of topics, including setting standards around minimum requirements)
 - Appropriate standards (legality, forest management models) and processes and procedures that can improve community livelihoods.

participating
pilots (lessons to
be taken into
follow-up
trainings)

b. National context: Proposed capacity-development programme

The areas for the capacity-development proposed for national level government agencies, large private sector enterprises and national association actors and civil society organization participants are presented here. These are based on priorities discussed by RECOFTC and FAO. The first part of table 17 refers to capacity-development interventions proposed by RECOFTC, which will cover two national trainings for two countries, followed by two regional trainings. In consultation with selected country programs, local priorities can be incorporated into the training programme. The second part of the table encompasses suggestions on how trained participants can use their improved competencies in their own work or, where possible, how they could be associated with other project partners' initiatives.

Table 17. Proposed capacity-development programme for national stakeholders to effectively engage in sustainable forest management and trade

Proposed capacity development	Priority as identified per country	Recommended topics [this topic will help solve:]	Target participants and stakeholders	Service provider and partner
1. RECOFTC proposed training curriculum				
1.1 Training	Skills for the effective engagement and inclusion on selected topics with other stakeholders. Training will provide specific knowledge, skills and attitudes needed to be more effective in:			
	Cambodia, Lao PDR, Thailand	<ul style="list-style-type: none"> Designing effective and simple guidelines for communities: sustainable forest management, timber harvesting, community-based enterprise development and certification. 	GA, CS	RECOFTC, PEFC
	Myanmar	<ul style="list-style-type: none"> Designing procedures or guidelines to improve the role of and install safeguards for women in sustainable forest trade to ensure fair wages and job security. 	GA, CS	RECOFTC
	Cambodia, Thailand, Viet Nam	<ul style="list-style-type: none"> Sustainable forest management model development with benefit-sharing modalities and a compensation mechanism. 	GA, CS	RECOFTC, PEFC, United Nations Environment Programme (UNEP) and World Wildlife Fund (WWF)
	Thailand	<ul style="list-style-type: none"> Support partnership development between responsible private sector enterprises and local communities to establish a viable business model for teak processing and export. 	GA	RECOFTC, UNEP and WWF
	Lao PDR, Thailand	<ul style="list-style-type: none"> Networking and organization development for formal plantation growers' association and related independent forest governance platforms in the 	GA, CS	RECOFTC

		supply chain.		
	Cambodia	<ul style="list-style-type: none"> • Conflict management in a variety of settings, including concession or village boundary-setting and partnerships. 	GA, CS	RECOFTC
	Lao PDR, Myanmar, Viet Nam	<ul style="list-style-type: none"> • Community-based enterprise development, formulation and business planning. 	GA	RECOFTC, UNEP and WWF
2. RECOFTC suggestions to apply training results				
2.1 Training	Myanmar, Viet Nam	<ul style="list-style-type: none"> • The training content will include: <ul style="list-style-type: none"> ◦ Labour safety in forestry, especially in logging, wood processing and forest patrolling ◦ Silviculture techniques for sustainable forest management and other potential product development ◦ Global perspective on sustainable forest management, forest trade, forest certificates and export opportunities. 	GA, CS	Guided by FAO
2.2 Awareness-raising	Cambodia, Myanmar, Thailand, Viet Nam	<p>Topics:</p> <ul style="list-style-type: none"> • Promoting the role of local communities or microenterprises (including civil society organizations) and national representation of associations in policy planning and decision-making and supply chain processes by demonstrating the contribution of microenterprises to the forest sector and an economy and the importance of lobbying for supportive policies and programs. • Collaborating evidence comes from research (Flanagan et al., 2020) showing that growing smallholder resources is the only opportunity to expand the wood supply volumes necessary to support the continuing growth in demand for wood products, estimated at some 300 per cent over the next 30 years. The notion of this future importance is also reflected in the PEFC strategy. 	GA, CS	Guided by FAO, with inputs from trained agencies in various sessions and participating pilots at the local level
		<ul style="list-style-type: none"> • Promoting the need for a consistent policy environment with improved coordination and guidance for effective sustainable forest management and trade and avoiding high costs and illegal forest products while creating an equal playing field for responsible enterprises or those willing 	GA	Guided by FAO, with inputs from trained agencies in various

		<p>to improve practices, considering:</p> <ul style="list-style-type: none"> ○ Integrating compliance standards (including sustainable forest management standards, the Voluntary Guidelines on the Responsible Governance of Tenure, FPIC and labour policies) in national policies and effective implementation and monitoring ○ Building synergy among different government agencies and aligning legislation they are responsible for ○ Investing in a common digital data management or single-window system to assess and monitor harvesting quotas, allowable cuts, permits and approval processes. ○ Develop domestic and foreign policies to promote sustainable products, including a green procurement policy and tax exemptions, and to attract investment. 		<p>sessions and participating pilots at the local level</p>
		<ul style="list-style-type: none"> ● Gender mainstreaming and social inclusion in sustainable forest trade. 	GA, CS	<p>Trained agencies in various sessions (lessons to be taken into follow-up trainings)</p>
Lao PDR		<ul style="list-style-type: none"> ● Clarify and promote tenure and user rights in different public forest regimes. 	GA	<p>Trained agencies in various sessions (lessons to be taken into follow-up trainings)</p>
Thailand		<ul style="list-style-type: none"> ● Application of online portal or database for submission of permit applications (such as the e-Tree apps in Thailand) that includes feedback collection for improvement. ● Review national standard 14061 on implementation for group forest management certification from the Thailand Forest Certification Council, including on the challenges of entry points and an incentive mechanism. 	GA	PEFC
2.3 Workshop: learning and sharing,	Lao PDR	<ul style="list-style-type: none"> ● Review the effectiveness of law enforcement and promotional policies implementation for commercial plantations and benefit-sharing of revenue from timber trading in public forestland. 	GA	<p>Trained agencies in various sessions (lessons</p>

**discussion,
dialogue**

- Develop a strategy on access to finance and marketing policies for timber microenterprises and small and medium-sized enterprises.

to be taken into
follow-up
trainings)

Each country can count on a range of service providers who are competent to provide support and capacity development services in specific areas related to sustainable forest management and trade. In the next section, RECOFTC outlines its proposed capacity-development programme. In other areas, specific support may be required regarding technical topics, such as chain of custody certification. Some qualified examples of service providers and their expertise are listed here.¹⁰

- Cambodia
 - Topic: Legal procedures of the roles of community in sustainable forest product harvest and trade
 - Service provider: Forestry Administration
- Lao PDR
 - Topic: Forest product certification and processes
 - Service provider: PEFC
- Myanmar
 - Topic: Preparation of forest products certification
 - Service provider: Myanmar Forest Certification Committee
- Thailand
 - Topic: Promoting group chain of custody certification to smallholders and small and medium-sized enterprises
 - Service provider: Thailand Forest Certification Council
- Viet Nam
 - Topic: Implementing forest certification and export process
 - Service provider: Vietnamese Academy of Forest Sciences

c. Proposed training curriculum and modules

c1. Overall objectives of the training curriculum

The proposed trainings at the local, national and regional levels aim to:

- Develop skills of relevant stakeholders to design, operationalize and monitor programs to support sustainable forest management and the legal trade of forest products (including timber), guided by relevant international and national certification mechanisms
- Strengthen capacities of relevant stakeholders to engage effectively in the sustainable forest management and legal trade of forest products (including timber), guided by relevant international and national certification mechanisms
- Prepare relevant stakeholders to perform their mandated roles and responsibilities effectively, so that it results in better representation and equitable benefits for the stakeholders involved in forest management and the legal trade of forest products (including timber), as prescribed in international and national certification mechanisms

c2. Learning objectives

¹⁰ A detailed overview of service providers is available in the five Lower Mekong country reports.

At the end of the training programme (local, national and regional levels), participants will be able to:

- Explain key concepts relevant to sustainable forest management and the legal trade of forest products (including timber) related to relevant international and national certification mechanisms
- Analyse challenges and barriers at relevant levels of implementation of the procedures related to forest product value chains
- Apply skills, approaches and tools to address the challenges and barriers in forest product value chains within the context of international and national certification mechanisms
- Develop strategies and approaches for the more effective implementation of sustainable forest management and the legal trade of forest products (including timber)
- Create and influence spaces for dialogue for the more equitable, legal and sustainable forest product value chains.

c3. Targeted participants and engagement

Participant selection will be based on selected countries' priorities and needs. A mixture of participants at the local level will include community leaders, smallholders, private sector enterprises and government agencies. A mixed participant group will promote interaction, cross-learning collaboration and co-creation of knowledge and experience. Such a learning environment will help shift some of the existing and deep-rooted negative perceptions and assumptions among the various sectors (government, the private sector, civil society and communities). The training curriculum will utilize a variety of interactive and participatory training methods (case study, role play, simulation, scenario-building), and participants will be provided the opportunity to consider the issues, challenges and solutions from various angles and from different perspectives. This will enhance their awareness and understanding and provide for a more holistic view of the context they operate in. Business-as-usual interventions will be challenged, and participants will be encouraged to step out of their comfort zones and consider out-of-the-box and innovative solutions and interventions to age-old challenges and constraints. A mixed-participant group ensures a richer, experiential and effective learning environment. A similar setting for a mixture of participants will also apply to the national training, including government agencies, civil society organizations and the private sector. Table 18 presents the stakeholder groups and selection criteria.

Table 18. Selection criteria for targeted participants in local and national trainings

Stakeholder groups	Selection criteria
Local communities and smallholders...	who grow trees for timber on public and private lands and have a role in forest product value chains
Local micro community-based enterprises, sawmills and processing manufacturers, including small and medium-sized enterprises...	that have advanced roles in forest product value chains
Local government agencies...	that have mandates and responsibilities to operationalize and implement sustainable forest management plans and legal forest product trade as well as national certification mechanisms at the

	district and provincial (subnational) levels
National government agencies...	that facilitate and oversee the development, implementation and monitoring of the sustainable forest management, the legal forest product trade and national certification mechanisms
Civil society and non-state actors...	who design supporting projects and initiatives on sustainable and legal forest product value chains and facilitate local community organizations to manage them
National and/or local wood associations...	that are involved and hugely influential in the forest product value chains

c4. Proposed training modules

The situational analysis and CDNA findings have shaped the design and development of the training curriculum. The curriculum proposes five modules that cover the identified priorities and needs from the five countries:

Module 1: Introduction to certification and linkages to forest product value chains: Rationale, guidelines and frameworks

Topics proposed in this module include (but are not restricted to):

- Introduction to forest certification mechanisms and initiatives
 - Summary of types of mechanism, why they are in place, how they function within specific national contexts and implications for different actors in the value chain
- Understanding national requirements for certification processes
 - Challenges and barriers at various levels of implementation, root causes for challenges to uptake and implementation, what needs to be in place for national uptake of these frameworks (conditions that enable) and implications for different actors in the value chain
- Principles of sustainable forest management in relation to forest certification
 - National priorities, objectives, implementation, linkages to international certification standards, processes and uptake and implications for different actors in the value chain
- Chain of custody and management of forest product value chains
 - What are the processes, why they are in place, how they are relevant to certification in national contexts, value chain analysis, and roles and implications for the different actors in the value chain

Modular objective: This module aims to set the context of the topic and provide participants with foundational knowledge and understanding on the existing initiatives, guidelines and frameworks regarding certification standards at the international and national levels. The underlying theoretical frameworks introduced in this module will be the basis for the training process in all subsequent modules. Certification mechanisms provide the context, and the main focus of the module will centre on the implication, challenges and pathways for various stakeholders directly and indirectly involved in this context.

Module 2: Strengthening entrepreneurship and business development (internal organization)

Topics proposed in this module include (but are not restricted to):

- Group formation and organization for forest products and timber value chains
 - Purpose, challenges, expected benefits, how it relates to improved compliance and/or access to certification
- Enterprise development
 - Steps and stages of enterprise development, community and smallholder assets and priorities and capitalizing on and creating enabling conditions for accessing certification
- Assessing risks for enterprises and ways to mitigate them
 - Understanding and managing risks for enterprises and developing risk-management strategies
- Market analysis for community entrepreneurs and enterprises
 - Market analysis for potential forest product value chains and protocols, and identifying strategies for capitalizing on viable business opportunities
- Business management skills
 - Basic business planning, administration and financial management aligned with legal compliance and risk-management strategies

Modular objective: This module aims to provide participants with a range of skill sets, approaches and tools to ensure inclusive and equitable processes to strengthen community-based enterprise functioning¹¹ and to create improved collaboration and dialogue in line with legal and certification standards.

Module 3: Strengthening effective engagement and innovative partnerships in supply chains (external relationships)

Topics proposed in this module include but are not restricted to:

- Better businesses through partnerships
 - Engagement strategies and pathways to partnerships, negotiation, setting up partnership protocols, roles and responsibilities and partnership contracts
- Negotiation strategies and skills
 - FPIC; safeguards; ensuring equity and inclusiveness; identifying positions, needs and interests that might result in conflicts among value chain stakeholders; multistakeholder engagement processes for redress; grievance mechanisms and trust-building
- Networking and relationship-building with direct and indirect actors in value chains
 - Conditions for relationship-building in the context of relevant certification mechanisms and the role of and benefits from forming associations as a networking strategy

Modular objective: This module prepares participants with skills to effectively engage with value chain stakeholders (communities, the private sector, government agencies) to reduce costs and other resources, thereby increasing the chances of successful business partnerships and participatory sustainable forest management that comply with the required certification standards.

¹¹ Relevant for enterprises having a role in different parts of the supply chain.

Module 4: Skills for better engagement in sustainable forest trade

- Applying gained knowledge and skills through various learning methods: scenario-building, simulation, role play, case clinics and change projects

Modular objective: This module aims to provide opportunities for participants to apply knowledge and skills in programs and projects they are working on. Participants analyse issues and constraints and collaboratively provide constructive feedback and creative ideas on potential interventions that can help them participate in various international and national certification processes more effectively.

Module 5: Action planning and monitoring

This module focuses on planning and evaluating the actions of participants applying modules 1–4 in their work settings, with the intention of redressing the gaps in value chains.

- Participatory action planning
 - Identifying expected results, roles, responsibilities, resource mobilization, partners and timelines
- Participatory monitoring plan
 - Required activities to meet expected results, responsibilities, planning and monitoring of achieved results

Modular objective: This final module encourages participants to integrate their learned knowledge and skills into their current mandate and responsibilities and/or programme or initiatives to address the gaps and challenges. It targets the individual as well as organizational level towards certification and evaluates their functionality. Continuous monitoring, self-reflection and adapting of programs ensures sustainability and addresses topical challenges and concerns.

Training materials needed for the modules will be developed or adapted from existing RECOFTC materials or from partners. The modules, including exercises and tools, will be developed during the design process of the overall training curriculum and reviewed by FAO prior to rolling out the training events.

ANNEX 1

SITUATIONAL ANALYSIS AND CDNA GUIDANCE AT THE NATIONAL AND LOCAL COMMUNITY LEVELS

a. Context and rationale

RECOFTC is a partner in the UN-REDD initiative Sustainable Forest Trade in the Lower Mekong Region (SFT-LMR). The initiative has three targeted outcomes:

Outcome 1: Strengthened bilateral and regional cooperation in place to facilitate legal and sustainable trade in forest products across the Lower Mekong region and China

Outcome 2: Improved forest governance for legal and sustainable trade of forest-related products

Outcome 3: Improved monitoring of forest and land use enabled through enhanced data accessibility and management

As part of delivery on outcome 2, RECOFTC is tasked to carry out activities contributing to two outputs within outcome 2:

- Output 2.4: Capacities of national institutions built up to allow them to operationalize improved forest governance, sustainable forest management and forest product trade
- Output 2.6: Community-based groups' and smallholders' access to legal and sustainable forest product value chains enabled

The focus of the work defined under both outputs and RECOFTC's role therein is to identify and address governance issues occurring in supply chains through the design and delivery of tailored capacity-development programs (from forest management to market) and action plans. It will support national actors, local communities and smallholders to more effectively engage in and benefit from the legal and sustainable trade of forest products. This will cover national certification mechanisms and associated forest policies, forest and land laws, and regulations related to the European Union's Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan, where appropriate, in Cambodia, Lao People's Democratic Republic (PDR), Myanmar, Thailand and Viet Nam.

b. Deliverables and reporting

The following results needed to be submitted to FAO by the end of March 2021. RECOFTC main office will be responsible for:

- One report on a situational analysis and a capacity development needs assessment (CDNA) for national institutions for five countries, to be shared with stakeholders for validation (by email or virtual meeting if required). This report will be based on overall analysis of the five countries, which will inform the curriculum and country selection jointly carried out by RECOFTC and FAO.

- One report of a situational analysis and the CDNA for local community-based groups and smallholders for five countries, to be shared with stakeholders for validation (by email or virtual meeting as required). This report will be based on overall analysis of the five countries, which will inform the curriculum and country selection jointly carried out by RECOFTC and FAO.

Each RECOFTC country office will be responsible for:

- One report covering the assessment of national institutions and local community groups and smallholders. In anticipation of curriculum development in phase 2, an action plan that addresses the findings of the situational analysis and the CDNA should be included. The situational analysis will be similar for both and can be produced as one chapter.

Proposed structure report for each country:

Executive summary (0.5–1 page)

1. Introduction (1.5 page)
2. Objectives (0.5 page)
3. Method of the situational analysis and CDNA process (2–3 pages)
4. Findings (max. 30 pages)
 - 4.1 Results of the situational analysis: Narrative of sustainable forest management practices and legal forest products trade, including national certification mechanisms from the situational analysis in national and local contexts (use headings in table provided) (not more than 5 pages)
 - 4.2 Results of the CDNA
 - 4.2.1: Overview and status of capacity development needs for local community groups and smallholders (use main headings from the framework) (not more than 10 pages)
 - 4.2.2: Overview and status of capacity development needs for national institutions (use main headings from the framework) (not more than 10 pages)
 - 4.3 Analysis
 - 4.3.1 Identification of competencies of how local communities and smallholder groups can benefit better from sustainable forest management (sustainable forest management) and legal trade (not more than 5 pages), including:
 - *analysis how managing natural forests and/or plantations can improve revenue from sustainable forest management and accessible markets for (certified, legal and sustainable) timber, NTFPs and ecosystem services (including carbon sequestration)*
 - *an overview of opportunities towards making sustainable forest management more economically feasible*
 - *an overview of barriers to the commercial and legal viability of sustainable production practices and value chains*
 - 4.3.2 Identification of competencies of how national institutes can support and operationalize better sustainable forest management and legal trade (not more than 5 pages), including:
 - *analysis how managing natural forests and/or plantations can improve revenue from sustainable forest management and accessible markets for (certified, legal and sustainable) timber, NTFPs and ecosystem services (including carbon sequestration)*
 - *an overview of opportunities towards making sustainable forest management more economically feasible*

- *an overview of barriers to commercial and legal viability of sustainable production practices and value chains*
5. Recommended capacity-development strategic and programme plan (not more than 15 pages)
- 5.1 National level: relevant to specific roles and responsibilities to facilitate the operationalization of the sustainable forest management and legal forest products trade, including national certification mechanisms:
- *There are a number of different national institutions operating under different contexts. Provide an overview and specific recommended actions for these different institutions.*
 - *Provide action plans broken down for organizations that require capacity development to provide particular (specify in your recommendations) services, training and advocacy in support of local community and smallholder producers.*
 - *Indicative identification of potential actors and markets for products and services of key operators and organizations who could help boost demand and market access.*
- 5.2 Local community and smallholder level: relevant to their roles to participate effectively in forest-based value chains based on national forest legal frameworks, tenure systems and forest product legality with attention to certification mechanisms:
- *Local communities and smallholders are engaged with different forest products (certified, legal and sustainable timber, NTFPs and ecosystem services) in their own particular context and landscape. An overview and specific recommended actions for these differences is required.*
- 5.3. Proposed curriculum and priority modules per stakeholder group in your country.

Annexes

1. Agenda workshops, events and focus group discussions
2. List of participants, events and contact details (for details, see CDNA section)
3. Any documents developed in the language of the Lower Mekong countries

c. Advice to carry out the situational analysis and CDNA

These are some tips to help you implement the task. Of course, the regional team stands ready to support you.

- Reach out regularly to partners in the project that have a direct connection to the capacity-development process. Notably, these are FAO and the PEFC national coordinators. Others might come on board along the way. The FAO national coordinators should be able to communicate with you and direct you towards identifying relevant stakeholders. This might include agencies involved in the FLEGT mechanism in your country.
- The assessment framework provided in the guide can be complemented by partners, who can collectively carry out the assignment and help ensure synergy among the partners. RECOFTC will use this framework to get a deeper understanding of underlying issues in sustainable forest management and forest product trade. Request FAO and PEFC or national certification bodies staff to support you in technical aspects related to certification. To give an example: RECOFTC unpacks tenure and forest management issues, but PEFC should do this for any particular

steps related to certification and provide this information to this process – it is not the purpose to educate RECOFTC staff on the details of certification itself.

- The questionnaires provided in this document should be regarded as checklists to ensure key aspects are covered and discussed. They also can help in triangulation and checking earlier answers (don't worry for overlapping questions).
- There are many tools available out there. Use the ones you feel comfortable with. Alternatively, you can schedule a call with the main office to discuss options and uses.

d. Theoretical framework

The overall scope of the project is guided by certification mechanisms. However, the underlying principles of certification equally apply for a country's engagement in sustainable forest management and the legal trade of its forest products. The proposed theoretical framework, while paying attention to certification, more so consider the underlying aspects of how certification can be materialized, building on existing mechanisms and policies around sustainable forest management and forest products trade (table A1).

Table A1. Scope of the situational analysis and CDNA for sustainable forest management and trade of forest products and services

Mechanism	Timber	NTFPs	Forest services (carbon, water and tourism)
Country policy environment	X	X	X
Markets (for legal products)	X	X	X
Certification	X	X	X
PFES and REDD	X	X	X

Based on table A1, a few concepts covered within the theoretical framework are explained here.

Country policy environment: National policies related to sustainable forest management and trade of forest products and services will differ per country due to the difference in status of natural resources, economic and infrastructure development. Mainly it is based on an agreement among country stakeholders on a common vision and goals for a country. Each country has a set of policies that regulate how forests are meant to be managed and to what extent trade of forest products is organized. Whether or not there is a logging ban or strict laws on commercializing native tree species is an example of how a policy determines what space there is to develop forests.

Markets (for legal products): Increasingly, there are global and country efforts (including this project) to battle against destructive forest management practices and illegal forest product trade. This is creating new but also more strict opportunities for legal products to enter those markets. The FLEGT (Forest Law Enforcement, Governance and Trade) Action Plan is a good example of how countries around the world are acting to combat illegal logging and foster good forest governance. More information can be found at: <http://www.flegt.org/>. In some ways, the FLEGT VPA processes resemble certification, and more information is shared there. The difference, however, is that the FLEGT VPA

processes will lead to a legally binding agreement between a country and the European Union market, whereas certification is voluntary, leaving the choice with the buyer of a particular product.

Certification: Certification of forest products, both timber and NTFPs, is an internationally recognized market-based tool used to achieve sustainable forest management and improve forestry sector development. The goal is to link trade in forest products to the sustainable management of the forest resources by providing buyers with information that the product they buy comes from responsibly managed forests that were audited based on responsible forest management standards. It also provides the assurance that certified products moving through the different supply chains have not been mixed with uncertified material or material from controversial sources. Forest certification consists of:

- Sustainable forest management certification that assures that forests are managed in line with environmental, social and economic requirements
- Chain of custody certification tracks certify forest products from sustainable sources to the final product

Certification demonstrates that each step of the supply chain is closely monitored through independent auditing to ensure that unsustainable sources are excluded.

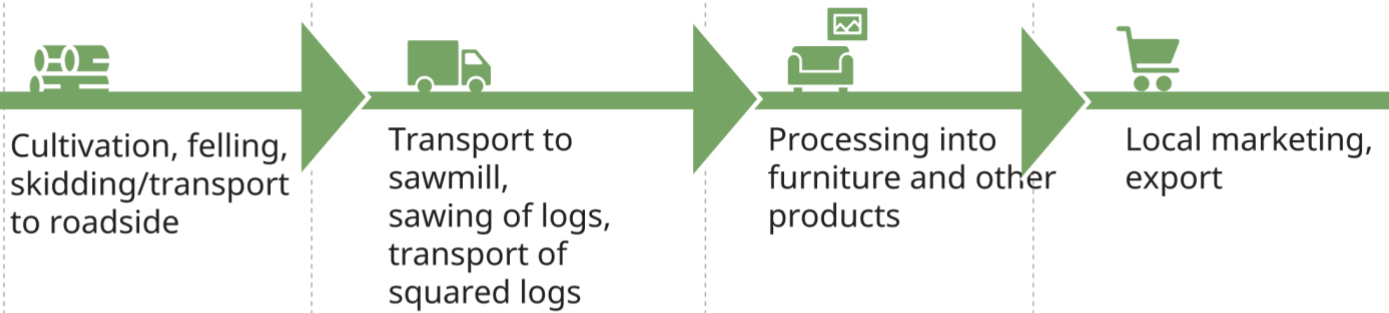
Forest products and services: The opportunity for stakeholders to actively be involved and benefit from sustainable forest management and the trade of forest products (and services) depends very much on a country's context. The situational analysis and CDNA process allows for the capture of information from stakeholders (local communities and smallholders and national institutes) that is relevant to them. For instance, if timber is not an option for communities – for various reasons – to actively engage in, the discussion can be shifted towards NTFPs or perhaps to PES.

Theoretical framework: Sustainable forest management and legal forest product trade needs to be demonstrated throughout the value or supply chain of a particular forest product (see figure A1). This means where the forest product originates from, the forest resource, and once it is harvested, processed, transported and traded to the final market and consumers. Using a value chain approach to understand the challenges in achieving certification will also allow us to pay attention to the equitable distribution of benefits among chain actors and opportunities to add value at various stages of the value chain. This requires consideration of different capacities and assets of different actors in the value chain and the role they have in it. Thus, it can say something about the effectiveness of the whole chain to produce legal forest products for the market. The proposed framework to carry out the situational analysis and CDNA is based on the main steps in the value chain (or value chain approach), which are key for legal forest products trade to be effective and beneficial to involved actors and stakeholders. The framework also considers the principles established by FSC, PEFC (both certification) and the REDD+ mechanisms. Key aspects cover: compliance with the law, tenure and user rights, recognition of legal and customary rights of local people, social and economic well-being of forest workers and communities, multiple benefits, management plan, monitoring and evaluation, active participation, engagement, transparency and continuous improvement.¹²

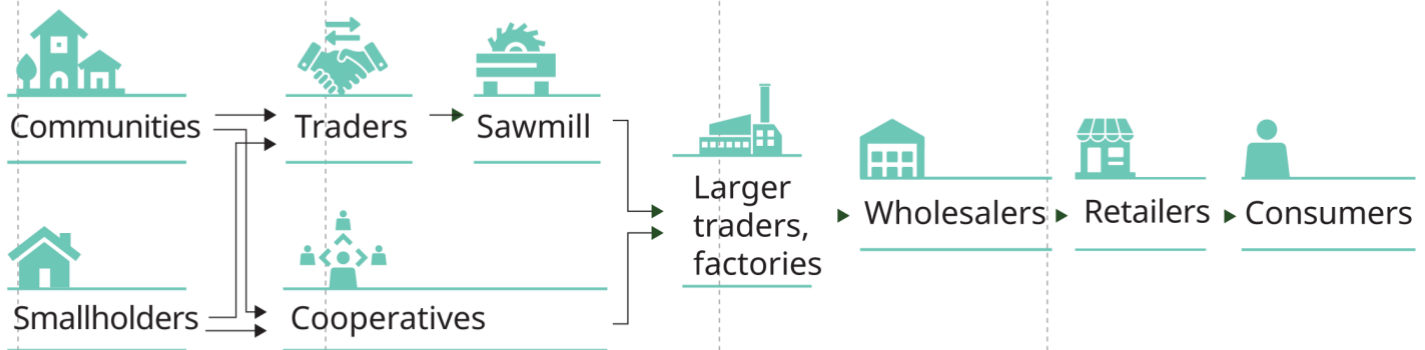
¹² FAO, "Forest Certification" (n.d.), <http://www.fao.org/sustainable-forest-management/toolbox/modules/forest-certification/further-learning/en/?type=111>.

Figure 2. Schematic overview of general value chain steps, associated actors and regulatory framework

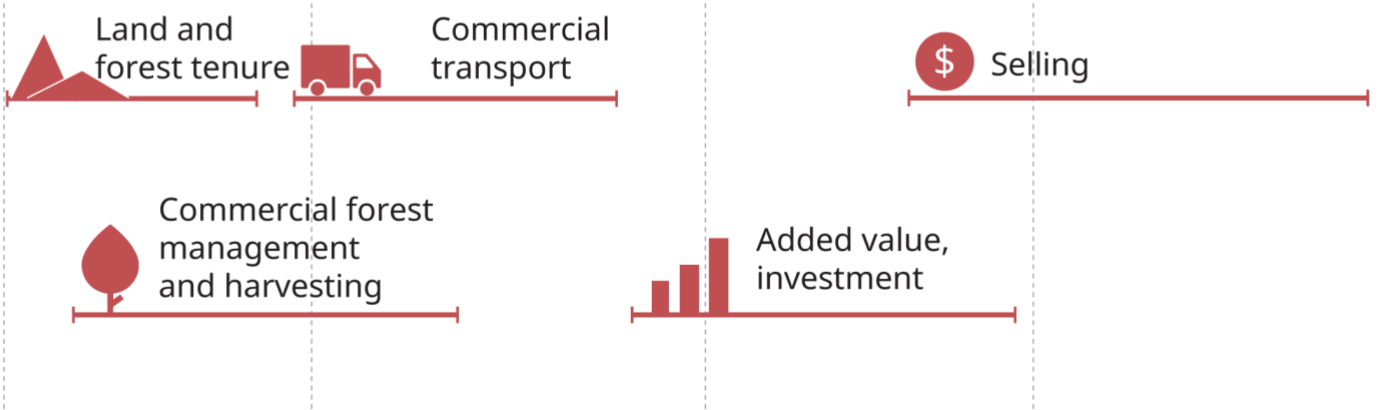
Timber value chain processes



Value chain actors



Legal and regulatory environment



Source: Adapted from M. Greijmans, D. Gritten, L. Jihadah, A.K. Naing, and L.M. Sapkota, *Access to Markets: Ensuring Forest Communities in Myanmar Benefit from Their Timber* (Bangkok, 2018).

Based on this theoretical framework, each step¹³ (see table A2) is divided into a set of criteria covering three categories:

1. **Policy and legislation** relevant to forest products
2. **Technical** requirements, including, to some extent, financial aspects
3. **Inclusion and empowerment** aspects in sustainable forest management and trade. This last category covers all aspects involving people making decisions and where potential power imbalances exist, respect for FPIC and gender equality, respect of various rights and addressing potential injustices and conflict that might occur. Examples include: who has access to information, how is this information shared and how informed are decisions made based on this information, which group's voice is heard and included in decision making processes, and how is benefit sharing decided.

These three categories helped to systematically develop the questions relevant to engage local community groups and smallholders and national institutes.

Table A2. Guiding framework for situational analysis and capacity development needs assessment (situational analysis and CDNA framework): Steps, criteria and questions for local community groups and smallholders and national institutes

Steps	Criteria	
1	1.1 Policy and legal	
	1.1.1 Supportive policies and laws acknowledging the legal control over land and forest products and to commercialize these	
	1.1.2 National and local authorities recognizing legal control over land and forest products and to commercialize these	
	1.2 Technical	
	1.2.1 Guidance and tools to zone, demarcate land – in particular, forest land or mixed-use land – are available	
	1.2.2 Extension programme, including financial resources, to support local communities and small holders	
	1.3 Inclusion and empowerment	
	1.3.1 Government and/or community institutions are in place to ensure participation of relevant stakeholders	
	1.3.2 Government and/or community institutions are in place to secure and exercise rights over forests	
	Clear and recognized land tenure and user rights	
	1.3.3 Bundle of rights (both customary and statutory rights) recognized, protected and fulfilled in implementing sustainable forest management	
	1.3.4 Government and/or community institutions have the necessary capacities to participate and exercise their rights over forests	
	2	2.1 Policy and legal
		2.1.1 Supportive policies and laws acknowledging the rights to plant, manage and commercialize forest products
2.1.2 National and local authorities recognizing the rights to plant, manage and commercialize forest products		
2.2 Technical		

¹³ Note that particular governance aspects recur throughout the value chain. We have added an additional seventh step to keep in mind participatory processes and decision-making aspects important for effective and equitable benefits from forest product management and trade, in particular in terms of gender and facilitation processes. There might be some overlap with earlier steps, but regard this as a checklist rather than strictly following the provided question.

2.2.1	Available quality planting materials (including commercial species)
2.2.2	Available labour to invest time to maintain and manage forests (weeding, tending, fire patrolling)
2.2.3	Available silvicultural and technical skills to manage forests (thinning, harvesting)
2.2.4	Guidance to forest management planning and practices (plan implementation, monitoring and evaluation) to ensure the long-term sustainability of quality resources
2.2.5	Existing local and national certifications and standards to verify and assure legality, quality products and services
2.2.6	Access to market information to plan the trade of forest products
2.2.7	Access to finance (access to credit), technical (thinning practices) and business (business planning, financial reporting) services
2.3	Inclusion and empowerment
2.3.1	Representative body managing forests (identify which one) is accountable, transparent and inclusive in decision-making to all user groups and promotes gender equity
2.3.2	Statutory and customary arrangements managing forests are in place and agreed upon
2.3.3	Benefit sharing from forests is conducted in a transparent and equitable manner
2.3.4	Channels and access to relevant information available to carry out forest management
2.3.5	Resources and ability of communities and smallholders to participate, in a gender equitable manner in forest management
2.3.5	Effectiveness of communities and smallholders in participating in forest management
2.3.6	Grievance mechanism (identify which one and where) in place to anonymously voice complaints and resolve these effectively and satisfactory
3.1	Policy and legal
3.1.1	Supportive policies acknowledging legal harvesting of forest products and to commercialize these
3.1.2	National and local authorities recognizing legal harvesting of forest products and to commercialize these
3.2	Technical
3.2.1	Technical skills and knowledge applying appropriate (allowed by law) technology for harvesting or know how to access these
3.2.2	Access to physical (electricity, machinery, sealed roads) facilities, safety precautions and financial resources
	Inclusion and empowerment
3.3.1	Recognized workers' rights and employment conditions
3.3.2	Grievance mechanism (identify which one and where) in place to anonymously voice complaints and resolve these effectively and satisfactory

		4.1	Policy and legal
		4.1.1	Supportive policies with clear guidance and protocol in place to legally transport and commercialize forest products
		4.1.2	National and local authorities recognizing legal transport and commercialization of forest products
		4.2	Technical
		4.2.1	Access to transport, or access to finance to arrange transport
		4.3	Inclusion and empowerment
4	Transport	4.3.1	Recognized workers' rights and employment conditions
		5.1	Policy and legal
		5.1.1	Supportive policies with clear guidance and protocol in place to legally process and commercialize forest products
		5.1.2	National and local authorities recognizing legal processing and commercialization of forest products
		5.2	Technical
		5.2.1	Access to technology and skills to process forest products
		5.2.2	Access to finance and investment opportunities to process forest products
		5.3	Inclusion and empowerment
		5.3.1	Recognized workers' rights and employment conditions
5	Processing	5.3.2	Grievance mechanism in place to anonymously voice complaints and resolve these effectively and satisfactory
		6.1	Policy and legal
		6.1.1	Supportive policies with clear guidance and protocol in place to legally sell forest products
		6.1.2	National and local authorities recognizing legal sales of forest products
		6.2	Technical
		6.2.1	Access to domestic or export market to sell products at a profitable price
		6.2.2	Access to skills to market and sell products according to consumer demand
		6.3	Inclusion and empowerment
		6.3.1	Benefit sharing mechanism in place and proving fair shares among members
6	Sales	6.3.2	Power and ability to negotiate
		7.1	Inclusion and empowerment
		7.1.1	Gender equity is a norm, with men and women participating in sustainable forest management and trade and market access
7	Complementary: participatory processes and decision-making	7.1.2	Include perception of women and minority groups participating in sustainable forest management and trade and market access (identify barriers for these groups)

The guiding framework will help to shape the situational analysis and CDNA.

- **The situational analysis provides an updated status** of what is happening in terms of sustainable forest management, forest product and service trade and market access (including certification) in a country. The situational analysis provides an opportunity for RECOFTC and direct partners to get roughly the same understanding, but not too detailed.
- **The CDNA** goes a step further and tries to **unpack the particular challenges** a set of **stakeholders** face to operationalize and benefit from accessing markets for a range of forest products and services.

e. What is a situational analysis and how to carry it out

The situational analysis provides a baseline or overview of the status of sustainable forest management and forest product and service trade (including certification). The situational analysis assesses the workings of the existing policy and governance framework for sustainable forest management, chain of custody for legal forest products trade and, in particular, to what extent it benefits local communities and smallholders. This analysis includes various methods and tools applied to gather and examine (i) current situation, (ii) development and implementation process, (iii) policy and regulatory framework, (iv) national institutions and stakeholders involved in forest management and forest product trade processes, as well as (v) challenges faced by those involved, including local communities and smallholders.

Objectives

- Gather baseline data from primary and secondary sources to describe the context of sustainable forest management and trade (including national forest certification development) at the national level, and challenges or obstacles faced by communities and smallholders to enjoy the benefits from sustainable forest management and trade
- Analyse and identify stakeholders at the national and community levels who can potentially engage with and benefit from sustainable forest management and trade and conduct a CDNA with relevant stakeholders

Methods and tools

Various tools for conducting a participatory rural appraisal can be applied to gather data;¹⁴ see suggested methods and tools against each topic suggested to gather relevant information. This situational analysis method helps you to get a sense of the country context in terms of certification and in helping to report on it. It also prepares you for the CDNA, which goes into more detail (next chapter).

Table A3. Situational analysis guidance, including both national and local community levels

Topics and guiding questions	Suggested methods			Suggested tools for data collection and reporting
	LR	KI	FGD	
National context				
1. Overview of sustainable forest management and legal forest trade development in the country (including national forest certification)	/	/		<ul style="list-style-type: none"> ● Semi-structured questionnaires ● Problem tree for causes and effects (reporting) ● Historical timeline (reporting) ● Value chain of each forest product (reporting) ● Figure of volume of forest products traded
<i>1.1 Evolution of sustainable forest management and legal forest products trade recognition and initiatives including timber, NTFPs, forest services and national certification systems</i>				

¹⁴ Data refer to a set of insights, understandings and perceptions collected from different stakeholders about certification-related topics. Data gaps can thus be identified in collaboration with partner agencies (such as the PEFC).

(reporting)

- What are the related processes in developing sustainable forest management principle and implementation guidelines in the country?
- Why are these processes taken (purpose), by whom and how are these processes developed in relation to the legal forest products trade?
- What type of forest products and services in relation to the legal trade and certification systems involved?
- How are these products legally traded in the domestic and international market?
- Describe the volume of involved forest products legally traded for both domestic and international markets from past three or five years

1.2 National and international certification schemes (including FLEGT) modalities for sustainable forest management and legal forest products trade

/ /

- What are the country's existing national and international sustainable forest management and forest products trade certification mechanisms and targets and the level of progress in terms of implementation?
- What are relevant characteristics of those existing mechanisms?
- What are the challenges faced by different stakeholders of sustainable forest management practices and market driven certification mechanisms?

- Semi-structured questionnaires
- Table describing various attributes of each scheme, such as establishment, principle and standards, national governing body and costs involved (reporting, [example here](#)¹⁵)

2. Legal and policy framework supporting sustainable forest management and legal forest products trade including national certification

/ /

- What are relevant national policies, forest targets, legal and regulatory frameworks and governance structure adopted for the basis of sustainable forest management and legal forest products trade including national certification development?
- What are gaps observed in the legal and policy framework for sustainable forest management and legal forest

- Semi-structured questionnaires

¹⁵ For general characteristics of the two major systems for forest certification, see <https://sustainableforestproducts.org/node/90>.

products trade in which it is not favourable for national actors as well as local forest products growers and traders?

<p>3. Key institutions and stakeholders</p> <ul style="list-style-type: none"> • Who is involved in developing national sustainable forest management principles, legal forest products trade, including national forest certification for its implementation and monitoring (these include forest administration, law enforcement, private sector, auditors and civil society organizations)? • What are current platforms or participation mechanisms to include local community and smallholder actors? 	<p>/ / /</p>	<ul style="list-style-type: none"> • Semi-structured questionnaires • Stakeholder analysis describing core mandates, interest, influence (data collection and reporting) • SWOT analysis focusing strengths and weaknesses (data collection and reporting)
<p>4. Opportunities and challenges</p> <ul style="list-style-type: none"> • Identify and describe challenges faced in sustainable forest management, legal forest products trade and certification and system implementation by national stakeholders, including forest administration, law enforcement, auditors and civil society organizations • Describe opportunities perceived from those stakeholders involved to address identified challenges and obstacles. 	<p>/ / /</p>	<ul style="list-style-type: none"> • Semi-structured questionnaires • Continued SWOT analysis focusing threats and opportunities (data collection and reporting)

Local communities and smallholders' context

<p>1. Status of sustainable forest management and legal forest products trade, including national forest certification practices and applied by local communities and smallholders:</p> <ul style="list-style-type: none"> • What are the current practices of sustainable forest management in the local communities and smallholders' context? • What are the current figures of community-based timber and NTFPs enterprises and smallholders as a forest manager and owner who benefit and apply the sustainable forest management and certification for legal trade? Which certification systems do they follow? • What are the roles of local communities and smallholders in the legal forest products trade considering current forest products supply and value chain? 	<p>/ / /</p>	<ul style="list-style-type: none"> • Semi-structured questionnaires • Value chain of each forest product and how communities and smallholders perform their roles and functions (reporting)
--	--------------	---

<ul style="list-style-type: none"> • Who is involved in the process of applying, implementing and auditing the applied sustainable forest management or certification for legal trade that local communities and smallholders have to coordinate and cooperate with? • What are the processes to include communities and smallholders to voice concerns and difficulties faced to the national level? 	/ /	<ul style="list-style-type: none"> • Semi-structured questionnaires • Problem tree for causes and effects (reporting)
<p>2. Barriers relating to legal and sustainable forest management, products trade and value chains:</p> <ul style="list-style-type: none"> • What types of land do local communities have access to (degraded and intact natural forests, land used for agricultural production that is classified as forest land) • How is land tenure and access to legal approval affected by sustainable forest management and forest trade and what are the main barriers? • What are the main challenges faced by local communities and smallholders to access and enjoy the benefit from sustainable forest management and certification for legal trade? 	/ /	<ul style="list-style-type: none"> • Semi-structured questionnaires • Problem tree for causes and effects (reporting)
<p>3. Have your say! Share good practices showcased from RECOFTC or partner landscape works</p> <ul style="list-style-type: none"> • Describe the lessons learned from current landscape-focused to facilitating the sustainable forest management implementation and forest products value chain improvement. 	/	<ul style="list-style-type: none"> • Semi-structured questionnaires • SWOT analysis (data collection and reporting)

Note: LR=literature review, KI=key informant interviews, FGD=focus group discussions.

f. What is a capacity development needs assessment and how to carry it out

A CDNA examines and investigates the human capacity gaps of various stakeholders in accessing and achieving sustainable and legal forest value chains, for example, through certification of timber and NTFPs. This analysis is a starting point for designing and implementing interventions to address the gaps identified with selected stakeholders. The main engagement is with two groups of stakeholders, including local community group and smallholders, to understand their ability to access and ability to overcome barriers relating to land tenure systems and affecting access to legal and sustainable forest product value chains. The second group of stakeholders covers national actors (including forest

administration, law enforcement, auditors, private sector and civil society organizations)¹⁶ involved in sustainable forest management, forest products and services trade and certification and implementation. Results from the analysis will feed into the design of a regional and partly national curriculum and capacity-development programme.¹⁷

Objectives

- Assess the understanding of stakeholders of and their ability to engage in and benefit from legal and sustainable forest product value chains
- Identify the existing capacity and the capacity gaps among the stakeholders that need to be addressed during a capacity-development programme (curriculum and training events)
- Develop a capacity-development programme to enhance the skills and capacity of key stakeholders to improve forest governance for legal and sustainable trade of forest related products

Methods and tools

For the CDNA, there are two main tools: interviews (one on one or small groups¹⁸) either face to face or virtually using the provided questionnaire. Interviews should not go more than 90 minutes and, if needed, a follow-up interview can be arranged. After the interviews are finalized and results compiled and analysed, it is advised to arrange focus group discussions with key stakeholders to share the findings and collect feedback or additional information, again according to COVID-19 requirements.

- For national institutes try to arrange not more than 15–20 interview sessions (including some follow-up sessions). For the group discussions, arrange one event per country.
- For local community groups and smallholders try to arrange 5–10 interview sessions (including some follow-up sessions) for small community groups in selected RECOFTC landscapes where forest products are managed and traded. A follow up and likely virtual group discussions should be held as well.
- In terms of a national-level focus group discussion (with key supply chain stakeholders and government officials), the results of both national and local community assessments should be used to provide a full picture to prioritize capacity development in the country.

The questionnaire in table A4 is quite extensive and should be regarded as a checklist to make sure we cover all the required information needed to assess to what extent stakeholder competencies are developed. Some repetition in the questions might be seen, some are relevant to ask. Note for instance that each step in the value chain needs to receive an approval from a government agency (formal document) before a forest product passes to the next step in the chain, all steps together will ensure if a product is legal and can be certified. Often, different laws and different government departments oversee those steps. So national-level stakeholders from different departments can provide you with more insights.

In other cases where there is some repetition, such as grievance mechanisms, we leave it to you to decide based on your insights. But if you think it needs more attention, then please explore this further.

¹⁶ It is advised to work closely with FAO and the PEFC country coordinators to identify these national stakeholders linked to certification.

¹⁷ Curriculum and training material development, tailored for two countries based on final report of situational analysis and CDNA (output 2.4) and three countries under output 2.6. Remaining countries will participate in regional trainings.

¹⁸ In alignment with national COVID-19 requirements and advice.

IMPORTANT: When the CDNA is carried out with all stakeholders, but in particular with local communities and smallholders, also collect the following contact information from them. This is part of the COVID-19 approaches we likely need to follow:

- Name
- Location (village, district, province and region)
- Gender
- Phone number
- Mobile or computer internet access (for potential virtual events):
 - Provider
 - Able to use mobile apps and internet
 - Quality connection (good, medium and bad)

Include this information as an annex in the reports.

Table A4. Questionnaire CDNA based on the theoretical framework for local community groups and smallholders and national institutes

Questions for assessing competencies		
Community groups and smallholders (in RECOFTC landscapes or partner landscapes and target areas)	National institutes (forest administration, law enforcement, auditors, private sector and civil society organizations)	
Policy and legal		
<ol style="list-style-type: none"> 1. What policies, laws and regulations are in place related to tenure (ownership, user rights, management rights) of land and forests and forest products? 2. How is land and forest allocated? What is the condition of land and forest (degraded) allocated to communities? 3. Which local institutions (formal and informal) implement these policies? 	<ol style="list-style-type: none"> 1. What policies, laws and regulations are in place related to tenure (ownership, user rights, management rights) of land and forests and forest products? 2. How is land and forest allocated? What is the condition of land and forest (degraded) allocated to communities? 3. Which national institutions implement these policies? 	
1. Clear and recognized land tenure and user rights	<ol style="list-style-type: none"> 1. What are the mandates and roles of the local authorities to support implementation of these policies? 2. How effectively do they perform these roles and responsibilities? 3. What are some of the key barriers and gaps for them to implement these policies and roles? 	<ol style="list-style-type: none"> 1. What are the mandates and roles of national authorities to support implementation of these policies? 2. How effectively do they perform these roles and responsibilities? 3. What are some of the key barriers and gaps to implement these policies and roles?
	Technical	
<ol style="list-style-type: none"> 1. What provisions (guidance, tools) are in place to carry out land use demarcation, planning and obtaining land rights? 2. How effectively are these implemented? 3. What are some of the key barriers and gaps to implement this process? 	<ol style="list-style-type: none"> 1. What provisions (guidance, tools) are in place to carry out land use demarcation, planning and obtaining land rights? 2. How effectively are these implemented? 3. What are some of the barriers and gaps to guide this process? 	

<ol style="list-style-type: none"> 1. What support (guidance, tools) is available to carry out land use planning, forest management planning or other relevant plans? (consider also how taxes, approvals, permits are dealt with, and who will be responsible for what) 2. How effectively are these implemented? 3. What are some of the key barriers and gaps to implement this process? 	<ol style="list-style-type: none"> 1. What support (guidance, tools) is available to carry out land use planning, forest management planning or other relevant plans? (consider also how taxes, approvals, permits are dealt with, and who will be responsible for what) 2. How effectively are these implemented? 3. What are some of the key barriers and gaps to implement this process?
<ol style="list-style-type: none"> 1. What extension programme is put in place to provide support to community groups and smallholders? 2. How effectively is this programme implemented? 3. What are some of the barriers and gaps in the extension programme? 	<ol style="list-style-type: none"> 1. What extension programme is put in place to provide support to community groups and smallholders? 2. How effectively is this programme implemented? 3. What are some of the barriers and gaps in the extension programme?
<ol style="list-style-type: none"> 1. What are the mandates and roles of the local institutes (village and authorities) to actively participate in clarifying land rights? 2. How effectively do they perform these roles and responsibilities? 3. Was consultation and participation processes, including FPIC, done? At what stage was it done? 4. What are some of the key barriers and gaps for them to implement these roles? 	<ol style="list-style-type: none"> 1. What are the mandates and roles of the local institutes (village and authorities) to actively participate in clarifying land rights? 2. How effectively do they perform these roles and responsibilities? 3. Was consultation and participation processes, including FPIC done? At what stage was it done? 4. What are some of the gaps in the ability to implement these roles?
<ol style="list-style-type: none"> 1. What are the mandates and roles of local institutions (village and authorities) to secure and exercise rights over land and forests? 2. How effectively do they perform these roles and responsibilities? 3. Was consultation and participation processes including FPIC done? At what stage was it done? 4. What are some of the key barriers/gaps for them to implement these roles? 	<ol style="list-style-type: none"> 1. What are the mandates and roles of the local institutes (village and authorities) to actively participate in clarifying land rights? 2. How effectively do they perform these roles and responsibilities? 3. Was consultation and participation processes including FPIC done? At what stage was it done? 4. What are some of the gaps in the ability to implement these roles?

	<ol style="list-style-type: none"> 1. What are the bundle of rights recognized, protected and fulfilled in implementing sustainable forest management? Can they specify their rights (can you give examples?)? 2. How effectively is the bundle of rights recognized, protected and fulfilled in implementing sustainable forest management? 3. Do they have the power and ability to claim the bundle of rights? Are these claims supported? If so by who? 4. What are some of the gaps and challenges for them to recognize, protect and fulfil the bundle of rights in implementing sustainable forest management? 	<ol style="list-style-type: none"> 1. What are the bundle of rights recognized, protected and fulfilled in implementing sustainable forest management? 2. How effectively is the bundle of rights recognized, protected and fulfilled in implementing sustainable forest management? 3. What are some of the gaps and challenges in the ability to recognize protect and fulfil the bundle of rights in implementing sustainable forest management?
	<ol style="list-style-type: none"> 1. What capacities are in place to exercise their rights? 2. How effectively are these used in implementing sustainable forest management? 3. What are some of the gaps and challenges in these capacities to fully achieve and implement their rights in implementing sustainable forest management? 	<ol style="list-style-type: none"> 1. What capacities are in place to exercise communities and smallholders' rights? 2. How effectively are these used in implementing sustainable forest management? 3. What are some of the gaps and challenges in these capacities to fully achieve and implement communities and smallholders' rights in implementing sustainable forest management?
	Policy and legal	
	<ol style="list-style-type: none"> 1. What policies, laws and regulations are in place to implement sustainable forest management? 2. Which local institutions implement these policies? 	<ol style="list-style-type: none"> 1. What policies, laws and regulations are in place to implement sustainable forest management? 2. Which national institutions implement these policies? 3. What are some of the gaps in policies and laws considering a country's interest in FLEGT VPA, certification and REDD+ processes?
2. Sustainable forest management	<ol style="list-style-type: none"> 1. What are the mandates and roles of the local authorities to support implementation of the policies? 2. How effectively do they perform local authorities' roles and responsibilities? 3. What are some of the key barriers and gaps for local authorities to implement these policies and roles? 	<ol style="list-style-type: none"> 1. What are the mandates and roles of national authorities to support implementation of the policies? 2. How effectively do the national authorities perform these roles and responsibilities? 3. What are some of the barriers and gaps to implement these policies and roles?

Technical

<ol style="list-style-type: none">1. What planting materials are available to establish and maintain sustainable forests for commercial purposes?2. How effectively are these sourced and made available?3. What are some of the barriers and gaps to access these?	<ol style="list-style-type: none">1. What planting materials are available to establish and maintain sustainable forests for commercial purposes?2. How effectively are these sourced and made available?3. What are some of the barriers and gaps to access these?4. What are the existing extension programs to provide support?
<ol style="list-style-type: none">1. Is sufficient time available to establish and maintain sustainable forests for commercial purposes?2. How effectively is time allocated to implement sustainable forest management?3. What are some of the key barriers and gaps for them?	Not applicable (see below, market)
<ol style="list-style-type: none">1. What silvicultural and technical forest management skills (thinning, harvesting) do they have to establish and maintain sustainable forests for commercial purposes?2. How effectively are these skills used?3. What are some of the barriers and gaps to use and benefit from these skills?	<ol style="list-style-type: none">1. What silvicultural and technical forest management skills (thinning, harvesting) are available to establish and maintain sustainable forests for commercial purposes?2. How effectively are these skills made available?3. What are some of the gaps to make these skills available for active use and benefit from?

<ol style="list-style-type: none"> 1. What forest management planning skills do they have to establish forests for commercial purposes (timber, NTFPs)? (Is there a management plan?) 2. How effectively are these skills used? 3. What are some of the gaps to use and benefit from these skills? 	<ol style="list-style-type: none"> 1. What forest management planning guidance is made available to establish and maintain sustainable forests for commercial purposes (timber, NTFPs)? (Are there quality management plans available and developed by whom?) 2. How effectively are these skills made available and made use of? 3. What are some of the gaps to make these skills available for active use and benefit from?
<ol style="list-style-type: none"> 1. What certification mechanisms for forest products do they know and how can they access these? (if not, how do they guarantee products are not illegally sourced?) 2. How effectively are these mechanisms used? 3. What are some of the gaps to use these mechanisms? 4. How effectively is time, resources and costs allocated to achieve certification? 	<ol style="list-style-type: none"> 1. What certification mechanisms for forest products do they know and are developed within the country? 2. How effectively are these mechanisms implemented? 3. What are some of the gaps to implement these mechanisms? 4. How effectively is time, resources and costs allocated to achieve certification?
<ol style="list-style-type: none"> 1. How is market information collected to plan the trade of forest products? 2. How effectively is market information analysed and used? 3. What are some of the gaps to access and analyse market information? 	<ol style="list-style-type: none"> 1. How is market information collected to plan the trade of forest products? 2. How effectively is market information analysed and used? 3. What are some of the gaps to access and analyse market information?
<ol style="list-style-type: none"> 1. How do they access finance (including subsidies and insurance) and seek technical support to plan the trade of forest products? 2. How effective is access finance and technical support? 3. What are some of the gaps to access finance and technical support? 	<ol style="list-style-type: none"> 1. What access to finance (including subsidies and insurance) and technical support services are available to plan the trade of forest products? 2. How effective is access finance and technical support? 3. What are some of the gaps to access finance and technical support?

Inclusion and empowerment

- | | |
|---|---|
| <ol style="list-style-type: none">1. Who (men, women, youth and minority groups) within the community is represented in the different sustainable forest management steps and how are they chosen?2. What are the spaces available that allow for participation among the different groups (men, women, youth, Indigenous Peoples) and being part of the decision-making process?3. Are policies, programs and services available to the most marginalized and vulnerable groups (women, youth, older persons and Indigenous Peoples)?4. Was consultation and participation processes, including FPIC, are implemented in the different sustainable forest management steps? At which stage are groups consulted?5. What are some of the barriers and constraints and some of the enabling conditions for marginal and vulnerable groups to participate?6. Are levels of participation assessed and monitored? What tools are used? Who does it? | <ol style="list-style-type: none">1. Who (men, women, youth and minority groups) within the community is represented in the different sustainable forest management steps and how are they chosen?2. What are the spaces available that allow for participation among the different groups (men, women, youth, Indigenous Peoples) and being part of the decision-making process?3. Are policies, programs and services available to the most marginalized and vulnerable groups (women, youth, older persons and Indigenous Peoples)?4. Was consultation and participation processes, including FPIC, are implemented in the different sustainable forest management steps? At which stage are groups consulted?5. What are some of the barriers and constraints and some of the enabling conditions for marginal and vulnerable groups to participate?6. Are levels of participation assessed and monitored? What tools are used? Who does it? |
| <ol style="list-style-type: none">1. What local organizational set up (producer group, cooperative, association) is in place to collectively manage forest and forest product trade?2. How effectively is this set up operating?3. What are some of the gaps to be effective? | <ol style="list-style-type: none">1. What local organizational set up (producer group, cooperative, association) is promoted and supported to collectively manage forest and forest product trade?2. How effectively is this support?3. What are some of the gaps? |
-

	<ol style="list-style-type: none"> 1. What is the process for implementing a benefit sharing mechanism? And existing power to negotiate for better benefits? 2. What policies and institutions and agencies support the implementation of benefit sharing? 3. Was consultation and participation processes, including FPIC done? Where in the process was it done? 4. How are complaints regarding benefit sharing addressed? 	<ol style="list-style-type: none"> 1. What is the national process for developing a benefit sharing mechanism? 2. What policies and institutions and agencies support the implementation of benefit sharing? 3. Was consultation and participation processes, including FPIC done? Where in the process was it done? 4. How is the implementation of the benefit sharing mechanism monitored? 5. How are complaints regarding benefit sharing monitored and addressed at the national level?
	<ol style="list-style-type: none"> 1. What are the local channels of communication available to be accessed? What is shared in those relevant to forest management? 2. What are some of the communication tools available to access information (social media, newsletters, website and village meetings)? 3. What is the capacity and opportunity to access these channels of communication? 4. What support is available to access channels of communication and information regarding forest management? 	<ol style="list-style-type: none"> 1. What are the formal channels of communication available to be accessed at the national level? What is shared in those relevant to forest management? 2. What are some of the communication tools available to access information at the national level (social media, newsletters, website and meetings)? 3. What is the capacity and opportunity to access these channels of communication? 4. What support is provided to access channels of communication and information regarding forest management?
	<ol style="list-style-type: none"> 1. What are the available resources community groups and smallholders can access to participate? 2. What is their capacity and opportunity to access these resources? 4. What support is available to access these resources regarding forest management? 	<ol style="list-style-type: none"> 1. What are the available resources community groups and smallholders can access to participate? 2. What is their capacity and opportunity to access these resources? 4. What support is available to access these resources regarding forest management?
	Policy and legal	
3. Harvesting	<ol style="list-style-type: none"> 1. What policies, laws and regulations are in place to implement legal forest product harvesting? 2. Which local institutions implement these policies? 	<ol style="list-style-type: none"> 1. What policies, laws and regulations are in place to implement legal forest product harvesting? 2. Which local institutions implement these policies??
	<ol style="list-style-type: none"> 1. What are the mandates and roles of the local 	<ol style="list-style-type: none"> 1. What are the mandates and roles of the national authorities to

-
- authorities to support implementation of the policies?
 - 2. How effectively do they perform these roles and responsibilities?
 - 3. What are some of the key barriers and gaps for them to implement these policies and roles?

- support implementation of the policies?
- 2. How effectively do they perform these roles and responsibilities?
- 3. What are some of the key barriers and gaps for them to implement these policies and roles?

Technical

- 1. What forest harvesting skills and/or technology can be accessed to harvest forest products legally and sustainably?
- 2. How effectively are these skills and/or technology used?
- 3. What are some of the gaps faced?

- 1. What forest harvesting skills and/or technology can be accessed to harvest forest products legally and sustainably?
- 2. How effectively are these skills and/or technology used?
- 3. What are some of the gaps faced?

- 1. What infrastructure (roads, electricity, internet, mobile telephone) is accessible to plan effective harvest of forest products (and make it available for transport)?
- 2. How effectively is this available infrastructure used?
- 3. Are harvesting costs (technology, skilled labour, infrastructure) to harvest forest products feasible?
- 4. What are some of the gaps faced?

- 1. What infrastructure (roads, electricity, internet, mobile telephone) is accessible to plan effective harvest of forest products (and make it available for transport)?
- 2. How effectively is this available infrastructure used?
- 3. Are harvesting costs (technology, skilled labour, infrastructure) to harvest forest products feasible?
- 4. What are some of the gaps faced?
- 5. What are the existing extension programs to support effective harvesting?

Inclusion and empowerment

- 1. What institutions and policies are in place that recognize and protect workers' rights and employment conditions?
- 2. What are the mandates and roles of the local authorities to support implementation of the policies?
- 3. How effectively do the local authorities perform these roles and responsibilities?
- 4. What are some of the gaps in local authorities' ability to implement these policies and roles?
- 5. What is the existing ability for group or community mobilization and negotiation? what are the results?

- 1. What institutions and policies are in place that recognize and protect workers' rights and employment conditions?
 - 2. What are the mandates and roles of the authorities to support implementation of the policies?
 - 3. How effectively do responsible authorities perform these roles and responsibilities?
 - 4. What are some of the gaps in responsible authorities' ability to implement these policies and roles?
 - 5. What is the existing ability for group or community mobilization and negotiation? what are the results?
-

	<ol style="list-style-type: none"> 1. How are grievances, conflicts and concerns communicated and resolved (formal and informal channels)? 2. Is there a redress mechanism in place? What is the process? 3. Who has the mandate to implement the grievance and redress mechanisms at the local level? 4. Is there access to neutral advice from third parties to facilitate, negotiate or resolve grievances? Who are the third parties involved? What processes are used? How effective are they? 	<ol style="list-style-type: none"> 1. How are grievances, conflicts and concerns communicated and resolved (formal and informal channels)? 2. Is there a redress mechanism in place? What is the process? 3. Who has the mandate to implement the grievance and redress mechanisms at the local level? 4. Is there access to neutral advice from third parties to facilitate, negotiate or resolve grievances? Who are the third parties involved? What processes are used? How effective are they?
	Policy and legal	
	What policies are in place to control the legal transport of forest products?	What policies are in place to control the legal transport of forest products?
	What local institutions (formal and informal) are in place to control legal transport of forest products?	What institutions are in place and responsible to control legal transport of forest products?
	Technical	
4.Transport	<ol style="list-style-type: none"> 1. What transport can be accessed to transport forest products legally? By whom will transport be arranged? 2. How effective is the transport for forest products arranged? 3. Are transport costs for forest products feasible to enter domestic or international markets? 4. What are some of the gaps faced? 	<ol style="list-style-type: none"> 1. What transport can be accessed to transport forest products legally? 2. How effective is the transport for forest products arranged? 3. Are transport costs for forest products feasible to enter international markets? 4. What are some of the gaps faced?
	Inclusion and empowerment	

	<ol style="list-style-type: none"> 1. What institutions and policies are in place that recognize and protect workers' rights and employment conditions? 2. What are the mandates and roles of the local authorities to support the implementation of the policies? 3. How effectively do local authorities perform these roles and responsibilities? 4. What are some of the gaps in local authorities' ability to implement these policies and roles? 	<ol style="list-style-type: none"> 1. What institutions and policies are in place that recognize and protect workers' rights and employment conditions? 2. What are the mandates and roles of the authorities to support the implementation of the policies? 3. How effectively do responsible authorities perform these roles and responsibilities? 4. What are some of the gaps in the responsible authorities' ability to implement these policies and roles?
	Policy and legal	
	<ol style="list-style-type: none"> 1. What policies (or other incentives) are in place to promote legal processing of forest products? 2. For the purposes of certification and certifying legality (or other standards), what processes and systems are in place? 	<ol style="list-style-type: none"> 1. What policies (or other incentives) are in place to promote legal processing of forest products? 2. For the purposes of certification and certifying legality (or other standards), what processes and systems are in place?
	What local institutions (formal and informal) are in place and responsible to support and promote legal processing of forest products?	What institutions (formal and informal) are in place and responsible to support and promote legal processing of forest products?
	Technical	
5. Processing	<ol style="list-style-type: none"> 1. What forest product processing (including designing, grading, packaging, quality control) skills and/or technology can be accessed to process forest products legally? Who supports access to these? 2. How effectively are processing skills and/or technology applied? 3. Are costs for processing forest products feasible to enter domestic or international markets? 4. What are some of the gaps faced? 	<ol style="list-style-type: none"> 1. What forest product processing (including designing, grading, packaging, quality control) skills and/or technology can be accessed to process forest products legally? Who supports access to these? 2. How effectively are processing skills and/or technology applied? 3. Are costs for processing forest products feasible to enter domestic or international markets? 4. What are some of the gaps faced?
	Inclusion and empowerment	

	<ol style="list-style-type: none"> 1. What institutions and policies are in place that recognize and protect workers' rights and employment conditions? 2. What are the mandates and roles of the local authorities to support the implementation of these policies? 3. How effectively do local responsible authorities perform these roles and responsibilities? 4. What are some of the gaps in local authorities' ability to implement these policies and roles? 	<ol style="list-style-type: none"> 1. What institutions and policies are in place that recognize and protect workers' rights and employment conditions? 2. What are the mandates and roles of the authorities to support the implementation of the policies? 3. How effectively do the responsible authorities perform these roles and responsibilities? 4. What are some of the gaps in the authorities' ability to implement these policies and roles?
	<ol style="list-style-type: none"> 1. How are grievances, conflicts and concerns communicated and resolved (formal and informal channels)? 2. Is there a redress mechanism in place? What is the process? 3. Was FPIC done in the setting up of the grievance and redress mechanisms? 4. Who has the mandate to implement the grievance and redress mechanisms at the local level? 5. Is there access to neutral advice from third parties to facilitate, negotiate or resolve grievances? Who are the third parties involved? What processes are used? How effective are they? 	<ol style="list-style-type: none"> 1. How are grievances, conflicts and concerns communicated and resolved (formal and informal channels)? 2. Is there a redress mechanism in place? What is the process? 3. Was FPIC done in the setting up of the grievance and redress mechanisms? 3. Who has the mandate to implement the grievance and redress mechanisms at the local level? 4. Is there access to neutral advice from third parties to facilitate, negotiate or resolve grievances? Who are the third parties involved? What processes are used? How effective are they?
	Policy and legal	
6. Sales	What policies control the legal sale of forest products (at any point in the value chain, from the moment it leaves the forest until it enters the market)?	What policies are in place to control the legal sale of forest products (at any point in the value chain, from the moment it leaves the forest until it enters the market)?
	What local institutions (formal and informal) are in place and responsible to support and control legal sale of forest products?	What institutions (formal and informal) are in place and responsible to support and control legal sale of forest products?
	Technical	

-
- | | |
|---|--|
| <ol style="list-style-type: none"> 1. To what extent do local communities have access to the domestic or export market and can they receive a regular profit from the forest products? 2. How effectively is the community able to get a profit regularly? 3. What are some of the gaps that communities face? | <ol style="list-style-type: none"> 1. To what extent is there access to domestic or export markets and can profits for all actors in the chain be earned from forest products? 2. How effectively are actors in the supply chain in earning profits from forest products? 3. What are some of the gaps the actors face? |
|---|--|
-

- | | |
|--|--|
| <ol style="list-style-type: none"> 1. Can you explain how communities are able to sell forest products based on specific market demand? (market for communities can be local trader, local market or company) 2. Which markets and buyers do communities have direct access to? 2. How effectively are communities able to supply products according to the market demand? 3. What are some of the gaps that communities face? | <ol style="list-style-type: none"> 1. Can you explain how forest products are sold based on specific market demand (what markets, market types?) 2. How effectively are different actors in the supply chain in supplying forest products based on market demand? 3. What are some of the gaps the actors face? |
|--|--|
-

Inclusion and empowerment

- | | |
|---|---|
| <ol style="list-style-type: none"> 1. What is the process for developing a benefit sharing mechanism? Who is involved? How is participation in this development decided (what opportunities exist to be part of the process)? 2. What policies and institutions and agencies support the implementation of benefit sharing? 3. Was FPIC done in deciding the benefits sharing mechanism? 4. What are some of the challenges of implementing the benefit sharing mechanism at the local level? | <ol style="list-style-type: none"> 1. What is the process for developing a benefit sharing mechanism? Who is involved? How is participation in this development decided (what opportunities exist to be part of the process)? 2. What policies and institutions and agencies support the implementation of benefit sharing? 3. Was FPIC done in deciding the benefits sharing mechanism? 4. What are some of the challenges of implementing the benefit sharing mechanism at the local level? |
|---|---|
-

- | | |
|--|--|
| <ol style="list-style-type: none"> 1. To what extent do communities have the ability to negotiate business agreements and prices (at any point in the value chain, from the moment it leaves the forest until it enters the market)? 2. How effectively are they able to successfully negotiate? | <ol style="list-style-type: none"> 1. What processes are in place to support value chain stakeholders in negotiation of business agreements and prices? 2. How effective are these support processes? 3. What are some of the gaps faced? |
|--|--|
-

3. What are some of the gaps faced?

Inclusion and empowerment

1. In terms of percentage how many men and women participate in forest management? What are their roles?
2. What is the contribution (%) of forest products by men and women to household income? Why are their contributions different?
3. What access do women have to channels of information, participation and decision making?
4. How effective are gender issues considered in these processes?
5. What are some of the gaps to improve gender balance in these processes?

1. How many men and women (%) are involved in the national level forest management, forest product trade and certification processes?
2. What are the roles of these women in these processes?
3. How many women (%) are involved at the decision-making level?
4. How effective are gender issues considered in these processes?
5. What are some of the gaps to improve gender balance in these processes?

7. Participatory processes and decision-making

1. How are women perceived when engaging in forest management and certification activities?
2. What are some of the cultural and social restrictions on women engaging forest management and certification activities?
3. Are there any gender equity and mainstreaming awareness raising activities conducted?

1. How are women perceived when engaging in forest management and certification activities?
2. What are some of the cultural and social restrictions on women engaging forest management and certification activities?
3. Are there any gender equity and mainstreaming awareness raising activities conducted?

1. Which local institution or agency is responsible to facilitate, negotiate and resolve conflicts at the local level?
2. What are the existing processes and mechanisms available for this?
3. How effectively are these processes and mechanisms functioning to facilitate, negotiate and resolve concerns or conflicts regarding forest management and certification?
4. What are some of the gaps or challenges in facilitating to facilitate, negotiate and resolve concerns or conflicts regarding forest management and certification?

1. Which institution or agency is responsible to facilitate, negotiate and resolve conflicts in the supply chain of forest products?
 2. What are the existing processes and mechanisms available for this?
 3. How effectively are these processes and mechanisms functioning to facilitate, negotiate and resolve concerns or conflicts regarding forest management and certification?
 4. What are some of the gaps and challenges in facilitating to facilitate, negotiate and resolve concerns or conflicts regarding forest management and certification?
-

IMPORTANT

Don't forget to collect contact details

- Name
 - Location (village, district, province or region)
 - Gender
 - Phone number
 - Mobile or computer internet access (for potential virtual events):
 - Provider
 - Able to use mobile apps and internet
 - Quality connection (good, medium, bad)
-

g. Relevant sources and terms

- FAO: “Forest Certification” (n.d.): <http://www.fao.org/sustainable-forest-management/toolbox/modules/forest-certification/further-learning/en/?type=111>
- RECOFTC: Access to Markets: Ensuring Forest Communities in Myanmar Benefit from Their Timber (Bangkok, 2018).
- PEFC: <https://www.pefc.co.uk/about-us/principles-objectives>
- FSC: <https://fsc.org/en>
- FLEGT: <http://www.flegt.org/>
- Sustainable Forest Management toolbox: <http://www.fao.org/sustainable-forest-management/toolbox/en/>
- General characteristics of the two major systems for forest certification: <https://sustainableforestproducts.org/node/90>
- List of suggested methods and tools: RECOFTC. 2020. Community forestry participatory assessment: A guide for practitioners.
- Assessing the governance of tenure for improving forests and livelihoods: <http://www.fao.org/documents/card/en/c/CA5039EN/>
- Reforming forest tenure: <http://www.fao.org/publications/card/en/c/63735856-6314-582b-af62-b4c3623ca680/>

Terms

- Forest certification is a voluntary process whereby an independent third party (the “certifier”) assesses the quality of forest management and production against a set of requirements (“standards”) predetermined by a public or private certification organization. Forest certification (and associated labelling) is a way of informing consumers about the sustainability of the forests from which wood and other forest products were produced.
- Chain of custody certification verifies certified products through the production chain. Chain of custody is a channel through which products are distributed from their origin in the forest to their end-use.

ANNEX 2

RECOFTC-SUPPORTED COMMUNITY BUSINESS MODELS

a. Cambodia

Deadwood collection in O Taneung Community Forest, Kratie Province

Introduction: As with the other Cambodian community forests, the members of the O Taneung Community Forest depend on the forest resources and agriculture for their livelihoods. There was a time, before they formalized as a community forest, that their reliance on the forest threatened to deplete the forest resources. Concerned about losing their rights over the forest resources, the O Taneung residents established a community forest in 2015. RECOFTC facilitated the process and helped them apply for the community forest agreement and then to develop a plan for managing their community forest.

Community members managing the forest at that time had observed that, as a result of forest fires, there was an abundance of fallen deadwood every year during the dry season. They thought that if they could remove the dead trees in time, they could sell the wood and prevent future forest fires. They thus requested permission from the commune and the Forestry Administration to extract the trees. RECOFTC facilitated this process by providing technical and financial support to gain approval and to collect and sell the deadwood. The revenue increased their capital for community forest credit schemes that they then used to reinvest back into forest management.

Tenure: The O Taneung Community Forest is a 613-hectare stretch of land about 65 kilometres outside Kratie provincial town. It is a tranquil place where local people can manage the forest and harvest natural foods and medicines without fear of conflict. In the early days, however, nothing was guaranteed to the people who cared for the forest and relied on it for their survival. A life-threatening conflict between the community and illegal loggers was lurking. With improved coordination with local authorities and support from NGOs like RECOFTC, the community was able to secure its forest land, making it an economic asset. In 2012, the Cambodian Ministry of Agriculture, Forestry and Fisheries granted the village of O Taneung official status as a community forest. In 2015, the community received a 15-year agreement to control their community forest. To gain this official agreement, the community had to set up a community forestry institution through elections for the community forest management committee. The committee was supported with a series of trainings on forest law and regulations.

Although the community received legal status, the community forest is still at risk because the surrounding area is mostly cleared for private land. The community grapples with illegal logging and land-grabbing issues, especially during the night. A new road along the community forest has provided better market opportunities for the community. But it has also increased the risk to the community forest. With the high price of land, many outsiders tend to grab land, especially when they see an area that is not fully “developed”.

Sustainable forest management: The community forest management committee, collaborating with local authorities (village chief and commune councillor), and the local Forestry Administration

developed a forest management plan that was then formally approved. Currently, the community forest has 245 members, corresponding to more than a third of the population of Kbal Damrey Commune in Sambo District, Kratie Province. The people of O Taneung engage in planting and silvicultural practices while managing and patrolling their forest.

Along with assistance in developing the management plan, RECOFTC provided a series of trainings that required action by the community to carry out forest inventory, report writing and silvicultural management treatments.

Due to the variety of activities of community forest management as well as limitations of members (by numbers, age and gender), the “trainees” were asked to get involved in different activities and specific roles based on their individual suitability. The community forest management committee then managed their activities. However, the community forest is not yet providing revenue that the community can depend upon. To date, the community is lacking human resources and financial resources to implement the plan they have. They heavily need support from NGOs and government agencies.

Harvesting: The community is able to harvest wild foods, including honey, mushrooms and bamboo shoots, and plant vegetables in the forest. The deadwood collection programme that RECOFTC facilitated is the most valuable resource the community draws revenue from, at about 70 per cent of the total community forest benefits.

Collecting deadwood is done as part of the silviculture activity cited in the management plan. The community requested permission from the commune council and Forestry Administration Cantonment to collect deadwood from their 613-hectare area. Once they received the approval, the local Forestry Administration, the commune council and the community forest management committee identified the area for deadwood collection. They then conducted an inventory by noting down species, types (class 1, 2 as classified by the Forestry Administration) and the amount of deadwood. They also took pictures for reference. Chainsaw use to size the deadwood logs also required approval from the Forestry Administration. The community forest management committee was responsible for reporting and ensuring that all harvested deadwood was in line with what was identified and agreed upon in the inventory step.

These tasks were all accomplished due to close coordination and trust-building between the local Forestry Administration authorities, the community forest management committee and community members (as implementers and RECOFTC as facilitator). The guidance written in the law and community forest sub-decree abetted the work.

Processing: The community only processes the round deadwood logs into lumber using their approved chainsaw. Smaller branches are cut into firewood or poles. They carry out the processing within the cutting area. Due to the lack of quality processing by the community members, they can only fetch low prices for their products.

Transport: The community transports all the lumber, poles and firewood by hand-tractor from the forest to a middleperson’s house within their commune and/or to villagers who buy the wood, accompanied with a letter of approval by the Forestry Administration for deadwood collection. During the rainy season, the transport is difficult even for a hand-tractor inside the forest because the road is not maintained. The deadwood they need to collect is in different blocks inside the forest and requires planning and time.

Trade and sales: The community members sell their product within their commune. If they wanted to sell it across the province, they would need approval from the Ministry of Agriculture, Forestry and Fisheries. And it would require paying tax as required by law. This process takes more time and brings potentially less revenue to the community. The community discussed this issue and agreed to share their revenue and benefits through the community forest development fund, which will be

used to build up their credit scheme. The scheme provides loans to the community at 3 per cent interest. About 30 per cent of that amount goes to forest management's activities, such as patrolling.

b. Lao People's Democratic Republic

Business model from Bokeo and Xayaboury provinces on teak smallholders and partnership agreement development with local sawmills

Tenure and user rights: RECOFTC has worked with teak smallholders in Bokeo Province on teak management and promotion since 2016 as part of the FLOURISH project. The activities expanded to Xayaboury Province in 2019, in partnership with the Provincial Agriculture and Forestry Office and the District Agriculture and Forestry Office. Staff were trained to carry out GPS mapping of the smallholder teak plantations. The mapping included the registration of 569 hectares of teak smallholder plantations consisting of 250 individual lots, belonging to 149 smallholder families in 16 villages in Bokeo Province. Expansion under the FLOURISH Project achieved a total of 377 tree ownership certificates for 344 hectares, 254 members and 382 plots. These certificates do not represent land ownership but clarify the smallholder teak tree tenure rights. For smallholders, this security over their teak trees serves as an important piece of evidence that timber is legal when harvesting and transporting teak logs to a sawmill. Smallholders have expressed satisfaction with the tree ownership certification process, and the Provincial Agriculture and Forestry Office intends to continue supporting the process and follow up with issuing these certificates and to make sure smallholders keep their tree lots in good condition. The plan is to seek further funding to renew tree ownership certification after two years. The smallholders have been involved in raising awareness of the importance of the tree ownership certificate for tenure rights and building up community understanding of the FLEGT VPA processes and REDD+.

Sustainable forest management: One of the main challenges in smallholder teak management is that the owners have the perception that each individual tree in a plantation at one point in time becomes commercial. However, when teak stands mature, the crown spacing between individual growing trees becomes so dense that weaker trees are no longer growing in terms of height and certainly not in diameter. Another challenge is that smallholders who are advised to carry out these interventions face a situation in which they are not able to sell the removed pruned and thinned larger branches and small trees because there is no market or no sawmill to process small-diameter trees. Only tree diameters of more than 26 centimetres are harvested and traded. RECOFTC has introduced and provided capacity-building on teak management, including punning and thinning for smallholders. The training covered sustainable forest management, conservation, the process of participatory land use planning and village forest management planning.

Harvesting: Smallholders traditionally harvest timber themselves and sell round logs from the roadside. Basic hand tools are used when smallholders harvest trees, even though only limited technology and machinery have been introduced. Smallholders have limited skills and investment to maintain the machinery. Some sell the logs to sawmills, with harvesting undertaken by operators and villagers often hired as labourers.

Transport: Most teak plantations are located in Houayxai and Paktha districts and are located near roadsides, rivers and villages for easy transportation for timber traders or to sawmills where operators can pick them up with small trucks or hand tractors.

Processing: Smallholders often do not process lumber by themselves. For non-commercial purposes, they use basic tools for processing.

Sales and trade: Smallholders normally sell the standing teak trees to sawmill operators and receive a lower price than when they harvest the trees themselves and sell them at the roadside. Having no market for smaller diameters does not encourage smallholders to manage their teak stands actively, which results in poor-quality stands. Since 2016, activities have focused on developing a business model between the teak smallholders and a local sawmill to add value to the small-diameter trees. Based on specified finger jointing equipment, a method became available to use small-diameter teak and create length joints between two solid wood or wooden composite components. The Provincial Agriculture and Forestry Office, currently managing this technology, has developed an agreement with the Singthoun sawmill, in which small-diameter teak (210 centimetres in length and 12 centimetres or more diameter from the thinnings, deformed trees and limbs from larger trees) will be purchased from registered teak smallholders who have tree ownership certificates. The agreement includes a top-up price (subsidy) for diameters smaller than 26 centimetres and follows the current market price. To date, 223.6 cubic metre teak logs have been traded, at a value of 873,190 Thai baht (\$27,682, of which 80 per cent was from small-diameter logs, or more than 26 centimetres). The finger jointing technology is considered innovative and an effective element to spur business partnerships. There are three partnership agreements signed between local sawmill companies and smallholders in Bokeo (one) and Xayaboury (two) provinces.

c. Myanmar

A community enterprise–private sector company business model to improve access to rattan markets

Introduction: RECOFTC, in partnership with the Rakhine Coastal Association and the Gwa Township Forest Department (in Rakhine State), established 18 community forest areas and allocated community forest certificates covering 25,000 acres (10,000 hectares) in 2015. With the Community Forestry Instruction guidelines approved and through an enterprise capacity-development programme, the Shwe Yoma (Golden Mountain Range) rattan enterprise arose. Of particular interest is their business arrangement with the Myanmar Rattan and Bamboo Enterprise Association (MRBEA) in piloting a rattan trade model. Shwe Yoma developed two contractual arrangements in which they were tasked to supply semi-processed rattan canes.

Tenure: The 18 community forests were awarded the community forest rights and received community forest certificates to manage the forest area, with support from local forest officials. Timber has yet to be included (to be reassessed after seven years). The rattan is allowed to be harvested and traded.

Sustainable forest management: Most community forest management plans that were developed with local forestry officials were submitted to the local forest department. Three communities included a business plan component in their management plan. The community forest network of 18 communities has longer-term plans to encapsulate all communities in Rakhine State. Community forest communities who were awarded the community forest certificates feel more secure and less threatened that their forest resources might be taken away from them. As a result of the government-recognized rights over the forest resources, forest user groups and members of Shwe Yoma are more inclined to manage and value the forest resources than previously was the case.

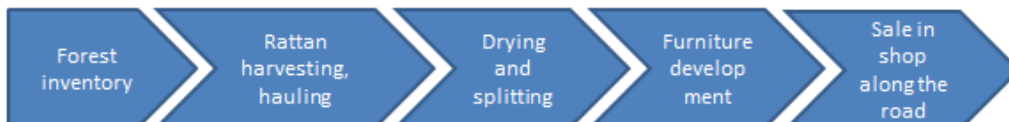
Harvesting: Based on the orders received from MRBEA, Shwe Yoma harvests a range of small (1–3 centimetres) and large (3–5 centimetres) diameters during the dry season. It does this by making orders with individual community members who are interested in earning additional income. Often an advance payment is made to the harvesters. Canes are collected just outside an area of Gwa town, where Shwe Yoma has set up its small and rustic factory.

Processing: This includes curing, drying and storing on-site until an order is filled and transport is arranged to send the rattan canes to Yangon.

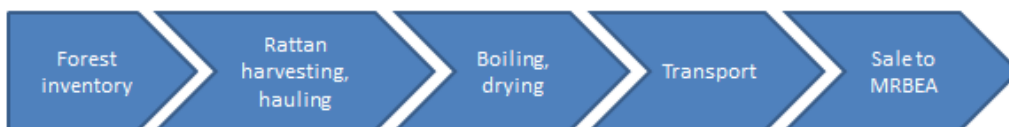
Transport: There are two ways to arrange transport. Either Shwe Yoma hires a truck and receives a higher price or one of the MRBEA members sends over a truck.

Trade and sales: Through annual contracts with MRBEA, the volume of canes and the price are agreed upon. Some flexibility is included if the agreed supply experiences a delay. The MRBEA provides upfront finance of 30 per cent for the first load of canes.

Rattan furniture products developed through MRBEA trainings



Semi-processed rattan canes as per agreement with MRBEA



FUG and FD inventory rattan in CF and plan extraction	FUG members harvest canes and sell to village trader or the CFE	Canes are boiled, cleaned, treated, stored	Canes transported to Yangon and sell as per agreement	Canes sold as per agreement
---	---	--	---	-----------------------------

Note: FUG=forest user group; FD=Forestry Department; CF=community forest; CFE=community forest enterprise. Source: M. Greijmans, A.K. Naing, T.D. Tuang, and P.W. Kyaw, “Shwe Yoma” Community Forest Enterprise – CFE, Gwa Township of Rakhine State Evaluation Report (RAFTIII, 2018).

d. Thailand

Model from Santisuk District on strengthening teak smallholders and community-based enterprises towards partnership agreement development with private sector enterprises

Introduction: Santisuk District is located in Nan Province in northern Thailand. It covers 244,357 rai (39,097 hectares), with a total population of 10,977 people or 3,679 households (49 per cent female, 51 per cent male). More than half of the total area is covered by forests, estimated at 54 per cent, and classified as national park (protected area of Doi Phu Kha), reserved forest areas and community forest areas. Agricultural land covers 31 per cent of the district and is classified as Sor Por Kor land (SPK), which the Agricultural Land Reform Office oversees. Land under recent government policy for collective land allocation is called Kor Tor Chor (KTC). Based on the land use interpretation from satellite images in 2018, there were 308.73 hectares of teak plantation areas, which was equal to 0.78 per cent of the total district area, with approximately 62,500 teak trees (250 trees per hectares).

RECOFTC developed a landscape-focused programme with partners from Nan Community College, the Hug Mueng Nan Foundation and the communities in three subdistricts of Santisuk District under the FLOURISH Project. The German Federal Ministry for the Environment, Nature Conservation and Nuclear Energy provided funding through the International Climate Initiative to help restore the forest landscape. The project focused on the commercializing of forest-related products with the private sector through partnership agreement development. The FLOURISH Project is aligned with an ongoing FAO and European Union-funded FLEGT project that RECOFTC manages in Santisuk District of Nan Province and Mae Tha Subdistrict of Chiang Mai Province.

Tenure and user rights: There are a total of 53 pilot teak smallholders, including 28 female and 25 male plantation growers, who have been engaged to trial the legal teak trade through partnership agreements developed between smallholders as a group of community-based enterprises and private companies. There are approximately 124 rai (19.84 hectares) and an estimated 24,692 teak trees and 53 teak growers in the pilot activity. Many of them own SPK land, estimated at about 86 rai (13.76 hectares). The minority are the KTC plantation owners, with an estimated 39 rai (6.24 rai) of land. For SPK plantation owners, it is clear that this type of land is eligible to be registered with the Ministry of Natural Resources and Environment (MNRE) Nan office for obtaining plantation certificates along with a tree inventory list. The certificates allow for further permits for felling, transporting, processing and the sale of logs and other forms of commodities. KTC land can't be registered as legal plantation holdings because there is no provision in the law or policies. In addition, the KTC lands have been demarcated collectively with officers and farmers. Demarcated maps and a legal document known as the "green book" have not yet been published and distributed to farmers for their records. Guidelines to properly and legally use KTC lands have been developed. But the commercial rights remain an issue because farmers are not aware of the guidelines due to their complexity and limited outreach. A recent reform to Article 7 in the Forest Act allows smallholders who have planted trees or forest plantation plots on both private and SPK lands to complete a self-declaration form from the Royal Forest Department. However, there are still unclear guidelines to verify and disaggregate between planted and natural trees originally from SPK lands that are eligible for commercial purpose according to reformed Article 7. RECOFTC and partners have been facilitating the understanding of required forms and preparedness among the teak smallholders so they can register their plantations on SPK and KTC lands with the MNRE. RECOFTC and partners are also supporting the community-based enterprise to obtain the permits to process and sell the teak products legally.

Sustainable forest management: Farmers have practised forest management on their plantations with minimum intervention because they have limited knowledge, skills and equipment to assist them. They usually plant trees on sloping lands with varied spacing techniques and watering regimes. They used fertilizer in the initial years, and typically do not prune or thin. Limited irrigation systems developed for steep plantations have hindered the farmers from growing intercropping plants to generate supplemental income while awaiting the first selling rotation of teak. RECOFTC has worked with the farmers to encourage the application of silvicultural techniques, such as pruning, thinning, weeding and intercropping, to maintain timber quality and generate additional income from selling small-sized thinned trees. The partnership agreement with a private company to purchase small-sized trees from thinning is being drafted and reviewed by both parties.

Harvesting: Traditionally, farmers commission middlepersons, who function as traders and brokers, to harvest and help them manage all legal forms required from the MNRE that allows them to cut their teak trees. The middlepersons undertake all legal processes associated with teak harvesting, transferring and selling to sawmills, mainly from Phrae Province. Charges are applied and included in agreed payments to farmers, which are often low after operating costs are deducted. The farmers receive all certificates and permits, including a hammer, from the middlepersons.

The clear-cutting system is typically used by the middlepersons when they negotiate to buy teak from farmers to cover their costs for hiring trucks and labourers. Apparently, the farmers are satisfied with this offer if only because they have a limited awareness of current market prices and

need the income to cover family expenses. But this has left the farmers with little power when negotiating prices with the middlepersons.

The tree stumps are left for a second rotation, but many farmers have turned their plantation plots to short-term crops or orchards, with little intention to continue growing timber. RECOFTC has been supporting local community-based enterprises to empower them to commission the legal processes for farmers and to obtain fair prices. The farmers still have the choice to sell their teak to other buyers if not the community-based enterprise. The purchase of teak from KTC plantation plots remains suspended due to no supporting policy. The leftover logs in the plots are harvested by middlepersons, while farmers make use of it as construction materials to fix their housing, use in their farms or store as firewood.

Transport: A transport permit is required when logs are transferred across the province and pass through a checkpoint. This is typically managed by the middlepersons, who return all legal documents granted by the MNRE to the farmers. They make copies of these documents to enclose when logs are transferred. For the non-commercial use of teak within households or a district and province on SPK plantations, there is no need to acquire transport permits from the government. But the certificate of origin or plantation certificate along with the list of logs are required whenever there is an inspection. However, the endorsement of a self-declaration form on planted trees from SPK lands to prove legality remains unclear. This is an ongoing discussion within the FLEGT working group and the Royal Forest Department, according to the amended Forest Act Article 18/1 and 18/2.

Processing: Usually farmers do not process teak into sawn wood for commercial purposes because they sell entire trees in the plots to the middlepersons. RECOFTC has supported the community-based enterprise to operate as a sawmill and processing factory. However, understanding of legal requirements is crucial to be successful. RECOFTC has been facilitating the access of information and consultation workshops with the MNRE and the Royal Forest Department's Provincial Office. Application forms to acquire processing and sales permits have been submitted to the MNRE and the Royal Forest Department. The community-based enterprise has been monitoring the progress and updating officials regularly. In the meantime, the enterprise intends to develop their processing skills and diversify product designs to attract more customers before the approval of permits is made.

There is another business model for community-based enterprises: RECOFTC has cooperated with the Wood Technology Department of Forestry Faculty from Kasetsart University in submitting applications for funding support on lumber drying kiln or oven installation from the National Science and Technology Development Agency. This will increase the quality of wood processing and minimize the risk from any damages of improper moisture content. The current practice is solar-drying logs after debarking and leaving it in the plantation sites for about one month.

Sales and trade: Round logs are typically sold to middlepersons by individual plantation owners at small profit after the deduction of administrative and logistical charges. RECOFTC, together with the pilot tree growers, have identified challenges and needs, one of which is to establish and strengthen community-based enterprises as essential to promote sustainable forest management and fair prices for farmers, including the ability to benefit from the teak value chain. The sale permits have been submitted to the MNRE, thus readiness capacity and required skills on finance, accounting and marketing need to be built up so that the community-based enterprise can operate efficiently and deliver business models to customers. In addition, the price and payment scheme of timber sold to the community-based enterprise and to customers, particularly Prize of Wood Co., Ltd (branded Chale't) have been negotiated, with both parties facilitated by RECOFTC. The company is interested in purchasing logs from the Santisuk community-based enterprise to make into wooden playground items.

Model from Mae Tha plantation forests on public lands and community movement to protect user and commercial rights¹⁹

Introduction: Mae Tha Subdistrict is more than 300 years old as a community and located in Mae On District, Chiang Mai Province. Mae Tha, led by a community organization, has been managing their natural resources (soil, water and forest) and has been accepted by various organizations. Still, their problems of community forest and land in reserved forest management are not yet resolved. The total area of Mae Tha is 73,000 rai (11,680 hectares), which is divided into (i) land with lawfully proven document, at an estimated 7.4 per cent, (ii) Mae Ta Khrai national forest, at approximately 7.2 per cent, (iii) permanent forest, at 0.4 per cent, (iv) Khun Mae Tha National Reserved Forest (NRF), at approximately 75 per cent and KTC land, at approximately 10 per cent. KTC land is used by 1,374 households with 2,693 plots to cultivate and live on.

Tenure and user rights: Valuable trees in the Mae Tha area are in the KTC area and land with ownership rights. Major trees planted are teak, which is grown in three types of plantation: (i) mono teak plantation forest; (ii) teak planted along the edge of farming plots to mark the boundary and (iii) teak mixed with other crops. Mae Tha has developed two timber control and utilization systems: (i) timber logging permission from the utilization zone of community forest and (ii) timber harvesting from the KTC area. The subdistrict regulations were developed and endorsed collectively by the Mae Tha Subdistrict Administration Organization and community forest committee members and enacted in 2007. The community's forest committee is responsible for permission requests. RECOFTC, through the FAO and European Union-funded FLEGT project, has applied a participatory approach to implement the supply chain control with the community and tree growers to pilot tree database management, including a tree-locating system. There are 595 farmers from seven pilot villages, with about 17,297 trees of 60,740 trees in total on the KTC lands.

Sustainable forest management: A basic foundation for plantation forest management is applied, such as weeding, pruning and spacing. Most of the KTC lands granted are located on slope areas, which are difficult to reach. It is also difficult to use the land properly according to the guidelines from the KTC policy on the proportion of tree planting along with other crops. This limits sustainable forest management as well.

Harvesting: To take any timber from the community forest area requires that a notification be submitted to the community forest committee prior to any harvesting event. In the KTC plantation forests, self-harvesting is allowed without notification. There are extra costs incurred for transporting timber from remote and steep areas on KTC lands.

Transport: Farmers are required to notify the village chief prior to the transportation of timber.

Processing: Farmers are allowed to process by themselves within the subdistrict territory and strictly for non-commercial purposes, such as house construction or repairs.

Sales and trade: No application of sale and trade is available, according to the subdistrict regulation and timber control rules. The regulation is considered unsupportive for operating a community-based enterprise and benefiting economically from the sales and timber value chain for smallholders. It is also not conducive to trace the origin of timber. In addition to the internal control, the KTC policy on commercial rights remains unclear, which demotivates smallholders to manage and make profit from the plantation forests.

e. Viet Nam

¹⁹ RECOFTC, *Summary Report: Pilot Project on Supply Chain Control for Small-Scale Timber Operators on Public Land* (Bangkok, 2019).

Bamboo partnership model in Nghe An Province

A community enterprise model that RECOFTC worked with provides a good example of how to support communities to improve their role in sustainable forest management and legally traded forest products.

Introduction: The German Federal Ministry for the Environment, Nature Conservation and Nuclear Energy, through the International Climate Initiative, is funding the four-year FLOURISH project. RECOFTC and partners initiated the project in Nghe An Province of Viet Nam in 2018 to facilitate partnerships between local communities and the private sector that contribute to restoring forest landscapes and improving local livelihoods. The project is expected to create positive impacts in climate change mitigation and adaptation, biodiversity conservation and sustainable development.

Nghe An Province faces overharvesting of natural lung bamboo that local traders buy from local farmers and sell in other provinces. This is attributed to low prices offered, a lack of policy guidance, limited technical knowledge of communities in plantations of bamboo forest and the low efficiency of lung bamboo utilization for production. In 2018, RECOFTC carried out a community development needs assessment using the value chain approach, with the following priorities identified:

1. Facilitate a forest land reallocation programme with households and communities in targeted communes. Some households and communities have been displaced from their homes to new resettlement areas with limited forest and agriculture land. Having land tenure or management rights over the forests that are now under management of the Commune People's Committee allows them to secure their livelihoods as well as sustainably manage the lung bamboo.
2. Create lung cooperatives or organize lung interest groups in the target communes to strengthen their capacity for sustainable lung management as well as contracting with local traders and processors.
3. Provide capacity-development training on forest land allocation, sustainable lung management, lung regeneration and plantation- and community-based enterprise development and management.
4. Recommend the Duc Phong Bamboo Handicraft Company initiate other research to produce seedlings of lung for the development of lung in plantation forest to ensure a sustainable material supply to the processing industry.

The subsequent support programme with RECOFTC and partners led to the following status of the different lung bamboo supply chain steps (as of 2020).

Tenure: Not all community members have land titles, and ongoing support is provided to obtain forest certification (Red Book). The Red Book is the legal document of Viet Nam to certify the land use right issued to individuals, households, organizations or communities and applies to residential land use, agriculture, fisheries and forestry land use. Previously, forest land allocation technical training was provided on forest mapping. Boundary identification needs to be finalized. With more fitting support, the number of smallholders submitting applications for plantation forest to gain legal titles and obtain a forest-use agreement from the government has increased.

Sustainable forest management: Once land titles are issued, the overall lack of skills on sustainable forest management typically hampers forest production, particularly timber plantation, to meet market standards. With a focus to improve forest landscape restoration and continue to benefit commercially from lung bamboo forest, the establishment of a community forest management model was initiated. The training needs of the communities included the propagation of improved lung bamboo materials (nursery establishment and production of improved seedlings); planting to enrich and restore the degraded forests but also to establish new lung stands; the development of a commune forest protection and development plan; and training on the management of lung bamboo forest (thinning, selective harvesting and post-harvesting care). It was important to ensure close

collaboration between the communities and local authorities to improve their knowledge on sustainable forest management, including forestry laws and forest fire management.

Harvesting: Farmers are allowed to harvest bamboo if they gain approval from the district forest ranger before the season. Lung harvesting is allowed between July and October and prohibited between November and June, when the lung bamboo shoots regenerate. This ban is to keep the local people from overexploiting the lung in natural forests. Men and women manage the harvesting manually. Bamboo poles are cut into sections that follow the length requirements of the local traders. Long poles can be sold; however, it takes more time for packing and transport from forests to roadsides.

Technical training on sustainable lung harvesting has improved to better prepare the specified semi-processed products that private sector traders request. Better harvesting has led to better-quality (use of appropriate technology, prescribed sizes, properly dried) bamboo poles, which are delivered or used in local pre-processing, thus increasing the value for the producer groups. The Duc Phong company is establishing production areas and processing activities with handicraft production groups in nearby districts to reduce transport costs and to improve collaboration with local communities.

Processing: The main processing takes place at the Duc Phong handicraft company. But the company also provides training to interested community members to prepare semi-processed products, including drying. The training includes both improved harvest and pre-processing practices. After being cut down, lung poles are cut to 50–100 centimetre sections. The poles are shaved and dried for two days and then transported to the company's factory in Vinh City for further processing. At the company's premises, different processing takes place depending on the handicraft product (lanterns, woven boxes and ornaments for the export market). This includes further splitting, boiling or steaming with oil or some chemistry to remove weevils before polishing.

Transport: Duc Phong and other traders send trucks to collect the lung from the roadside and transport it directly to their processing units. The traders are local people living in the commune who divide up and negotiate with the villages they collect lung from. A company like Duc Phong buys its materials through a representative based in the commune who manages the local traders, which in peak season totals 100–120 individuals.

Trade and sales: Many of the timber (acacia) and NTFP (bamboo) value chains are disconnected from direct buyers because of poor infrastructure and business partnerships with companies. In preparing communities to be a reliable business partner, a process of training and events took place to unpack what partnerships require: timely and stable supply and following agreed standard specifications. This has resulted in moving from oral to written agreements, ensuring group functioning and preparing for negotiations towards purchase contracts according to the needs of both parties. This process has significantly improved relations with the company.

Three overarching criteria determining the success of the model

Policy areas in need of further improvement: As institutional forest owners, the Viet Nam government has accepted communities as forest owners through the land allocation and certification process. The Department of Agricultural and Rural Development is responsible for forest management at the provincial level. The Forest Ranger Agency system, from the central to the grass-root levels, is responsible for monitoring forest law violations and forest development. Support as per the policy can be provided for forest protection and development and access to loans and technologies. Nghe An Province has socioeconomic development plans that are based on its strengths and potential, such as bamboo production, bamboo handicraft products and acacia plantation. The plans help to navigate resource mobilization and attract investments. Bamboo production in Nghe An is supported by the Provincial People's Committee's Decision No.654/QĐ-UBND on planning and development of bamboo material zones and bamboo sector development

for 2018–2025. However, the province has yet to develop comprehensive community forest guidelines to support communities on forest protection and livelihood improvement after forest land allocation. Because the guidelines are not in place, community forest institutional governance at the provincial and local levels is still weak, which leads to forest conflicts and violations.

Technical capacities to operationalize the model: Large government agencies face challenges to ensuring the participation of local communities in the allocation of land titles. RECOFTC trained both the government and communities through a participatory forest land allocation process to prepare the application forms for forest land title. The forest land allocation training was made more accessible to ethnic minority groups and left local communities better informed. By establishing and building up the capacity of lung bamboo management, the smallholder groups improved their use of the natural lung forests.

Inclusiveness and empowerment to ensure fairer opportunities for engagement and benefits from the model: Through a screening and due diligence process of prospective private sector enterprises to develop business partnerships with local communities, companies were shortlisted in 2018. The Duc Phong company was selected to pilot an improved business model with local bamboo communities, most of whom are of Thai ethnic minority. Currently, five partnership agreements have been signed between the company and five communities (involving 37 women and 84 men) aiming to strengthen collaboration in the preservation of the lung bamboo forests and improve the harvesting and supply of lung bamboo material. The agreements require both parties to increase their commitment to support each other in business aspects: quality standards, production of agreed volumes and fair pricing.

Along with technical training for the five farmers' interest groups established in Nghe An, there was a need for building up the capacity for working together so that the households could better organize themselves in sustainable bamboo harvesting and sales and thus increase the value of the bamboo products. FLOURISH provided capacity-building on how to work effectively together for the five established farmers' interest groups. In terms of more complete engagement in the lung supply chain, two lung bamboo Protection, Harvesting and Primary Processing Groups are functioning (with 120 community members). The government role is to monitor these partnership arrangements and, where required, to coach and intervene. A recent assessment gauged the partnership model as needing to further improve the working relationship between both parties. In particular, engagement with communities from the company needs to be increased to ensure the partnership model functions better, whereas communities received feedback to improve their capacity to deliver high-quality products. Communities require more support from the government and service providers to increase their position in partnership negotiations.



UN-REDD
PROGRAMME



Food and Agriculture
Organization of the
United Nations



UN
environment
programme



Co-funded by
the European Union

V4
MF | Voices for
Mekong Forests

UN-REDD PROGRAMME SECRETARIAT

International Environment House
11-13 Chemin des Anémones
CH-1219 Châtelaine
Geneva, Switzerland

Email: un-redd@un-redd.org
Website: www.un-redd.org
Workspace: www.unredd.net



[www.un-redd.org/
lower-mekong](http://www.un-redd.org/lower-mekong)