The Borneo Initiative
An Introduction

TBI Support Model

Sustainable forest management means that harvest levels are in balance with forest re-growth, with respect to the rights of local people and keeping intact wildlife habitat. Market parties along the commodity chain need to be able to distinguish sustainably produced wood. This calls for the need of a globally respected standard for the certification of forest management, such as FSC. The Borneo Initiative promotes FSC certification of forest management, which requires that forest enterprises need to comply with the Government’s mandatory requirements for the SVLK/PHPL certificates at the same time.

The Borneo Initiative offers its support to any Indonesian forest enterprise with a legal license, with productive forest stock, with a good track record in forest management, and with good connections to the overseas markets. Applications from non-Indonesian forest enterprises will be dealt with on a case-by-case basis.

TBI offers forest enterprises financial support in proportion to the size of the forest area:

- 75,000 ha and above: 2 USD/ha with a maximum of USD 300,000
- 35,000 - 75,000 ha: 3 USD/ha with a maximum of USD 150,000
- Forest enterprises smaller than 35,000 ha (e.g. community forestry schemes) are encouraged to join a group certification initiative so as to reach the threshold level of 35,000 ha.

The financial support will be divided into three phases (see graph):

**PHASE 1**
- Pre-Assessment
- Certification Action Plan
- 3 months
- 10% TBI fund

**PHASE 2**
- Financing Statement
- Implementation CAP
- Main Assessment
- Verification Audit
- 18 months
- 80% TBI fund

**PHASE 3**
- Annual Audit
- 3 years
- 10% TBI fund

These FSC-certification related costs help the forest enterprise (i) to prepare for SVLK/PHPL certification, (ii) to prepare for combined audits for SVLK/PHPL and FSC.

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Cofloren
Puzzo Alan, Stuijk Fons and Wim Ellenbroek
Design: Studio 10, Tineke Kooistra
Printer: Huismans Printers, Radio Amsterdam
This annual report is printed on 250gr FSC paper.

visit the website: www.theborneoinitiative.org

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October 2013
can guarantee a long-term life cycle for the forests, the right balance between these three dimensions-economic interests, sustainable management and be preserved if a successful balance is found between particular in Indonesia, but also elsewhere in the world. The Borneo Initiative’s vision, tropical forests can only long-term availability of tropical timber from natural forests, and companies are developing sustainable procurement policies and are ready for long-term relationships with responsible timber producers. Thus, a market based approach towards carbon option is now possible, involving market actors as positive agents of change. The certification of forest management is one tool to distinguish responsibly produced timber products in the market place. The government of Indonesia is deploying a management scheme for both the legal and sustainable timber harvesting and trade, consisting of two components, SVLK for legal origin or chain of custody, and PHPL for sustainable harvesting operations. The Borneo Initiative operates complimentary to the government’s priorities. Additional to the government’s mandatory SVLK/PHPL certification scheme, The Borneo Initiative promotes a voluntary certification scheme as promoted by the International Forest Stewardship Council or FSC. SVLK/PHPL certification has many similarities to FSC certification as regards certification criteria and certification procedures - especially independent, third-party assessment. While Indonesian timber producers all have to earn their SVLK/PHPL certificates, the added value of FSC certification has some extra criteria on forest management, social inclusion and wildlife management which gives extra recognition to Indonesian timber producers as responsible producers. By accepting the support from The Borneo Initiative for FSC certification, the Indonesian timber enterprises will achieve double certification i.e. SVLK/PHPL plus FSC, and will gain extra goodwill in the market place as responsible forest enterprises.

Vision and Mission

The goal of The Borneo Initiative as described in art. 2 of its articles of association is “countering deforestation and degradation in Asia, in particular in Indonesia, but also elsewhere in the region to that end promoting sustainable forestry”. In The Borneo Initiative vision, tropical forests can only be preserved if a sustainable balance is struck between economic interests, sustainable management and the protection of high conservation value areas. Only the right balance between these three dimensions assure a long-term life cycle for the forests.

Why this initiative?

Indonesia, with presently an estimated annual loss of forest of 1 800,000 ha in the period 1990 to 2000, was accountable for about 15% of global deforestation. Yet, deforestation and forest degradation can be countered in Indonesia - as elsewhere - by initiatives that enhance the economic value of well-managed forests. Recent years have a growing concern over the long-term availability of tropical timber from natural forests, and companies are developing sustainable procurement policies and are ready for long-term relationships with responsible timber producers. Thus, a market based approach towards carbon option is now possible, involving market actors as positive agents of change. The certification of forest management is one tool to distinguish responsibly produced timber products in the market place. The government of Indonesia is deploying a management scheme for both the legal and sustainable timber harvesting and trade, consisting of two components, SVLK for legal origin or chain of custody, and PHPL for sustainable harvesting operations. The Borneo Initiative operates complimentary to the government’s priorities. Additional to the government’s mandatory SVLK/PHPL certification scheme, The Borneo Initiative promotes a voluntary certification scheme as promoted by the International Forest Stewardship Council or FSC. SVLK/PHPL certification has many similarities to FSC certification as regards certification criteria and certification procedures - especially independent, third-party assessment. While Indonesian timber producers all have to earn their SVLK/PHPL certificates, the added value of FSC certification has some extra criteria on forest management, social inclusion and wildlife management which gives extra recognition to Indonesian timber producers as responsible producers. By accepting the support from The Borneo Initiative for FSC certification, the Indonesian timber enterprises will achieve double certification i.e. SVLK/PHPL plus FSC, and will gain extra goodwill in the market place as responsible forest enterprises.

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