



A Switch to Sustainable Rattan Production and Supply



This project is co-funded by the European Union



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By 2011 40 percent of all targeted small and medium enterprises in the supply chain will be actively engaged in cleaner rattan production. 15 percent of processing industries will provide environmentally friendly products to European and worldwide markets.

By 2015 50 percent of the rattan processing industry in Cambodia, Lao PDR and Vietnam will be environmentally cleaner and more competitive within regional and worldwide markets, generating better economic returns.

The rattan trade today

***A growing \$2 billion industry:** The Greater Mekong's rattan industry has the chance to take a bigger share of this market.

***High export rate:** Vietnam is an important exporter of finished rattan products with almost 60 percent of its total production going to the European Union in 2005.

***Community development:** Village communities in Lao PDR, Cambodia and Vietnam rely heavily on the rattan trade. Sales account for up to 50 percent of cash income in villages making this industry a major contributor to poverty alleviation in rural areas.



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Problems:

Unsustainable harvest
Major depletions of rattan leads to forest degradation.

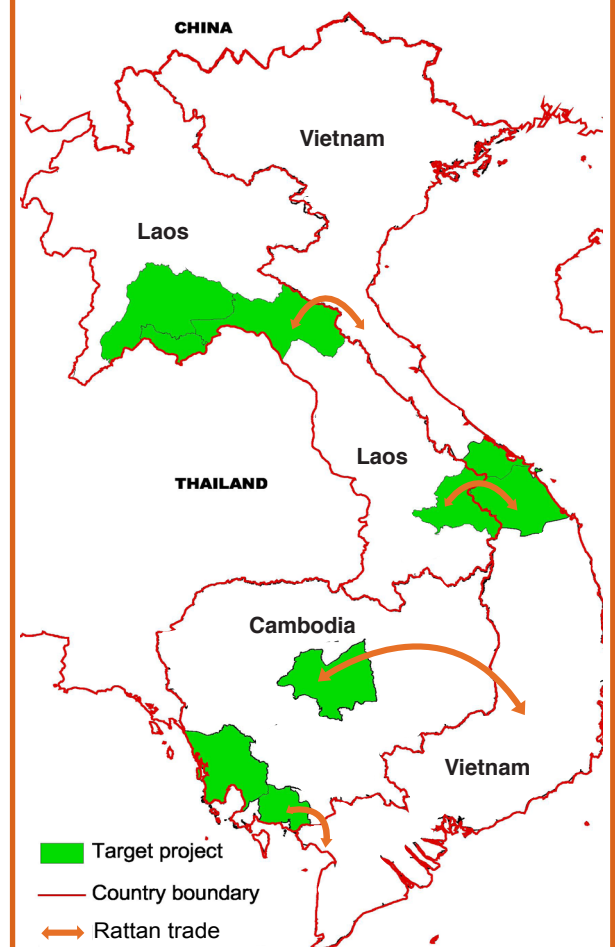
Wastage
Up to 55 percent of harvest is wasted along the supply chain.

Pollution
Highly toxic substances causing air, water and soil pollution and health issues for workers.

Unreliable and illegal supply
Non-registered rattan traders can undercut legitimate traders.

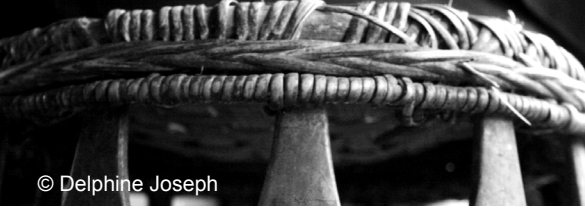
Low quality
Over 90 percent of finished rattan products currently produced in Cambodia and Lao PDR do not comply with required product quality standards and lack proper licenses. These factors, along with an inadequate environment policy, hamper the sector's competitiveness and access to international markets.

Project site areas in three countries



Solution:

A sustainable rattan industry provides a money incentive to maintain 50,000 hectares of forest in Cambodia, Lao PDR and Vietnam, and avoid economic and environmental costs.



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Project results

- Rattan supply chains, including trans-boundary links, are institutionalized and organized in a more efficient way
- 300 small and medium sized enterprises are familiar with cleaner production
- 120 of them introduce concrete measures
- 35 small and medium sized enterprises have a credibly certified chain-of-custody in place
- 25 of the processing enterprises have started to export credibly certified rattan products
- Legislations are amended and enforcement strengthened to better support optimized supply chains and sustainable production

Project activities

- Training for pre-processors and traders on management and clean production
- Supporting the establishment of market and business links along the supply chain
- Stakeholder workshops will support better legislation

This project is part of WWF's Sustainable Rattan Harvesting and Production Regional Programme. The project is funded by the European Union (EU), with co-financing from the international home-products retailer IKEA and the German development finance institution (DEG).



Photo Credit: WWF, except where noted



RATTAN SUPPLY CHAIN



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