

**PRESENTATION GIVEN AT THE TRANSLINKS NATURE,
WEALTH AND POWER WORKSHOP**

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NTFP raw and semi-processed materials consolidation and trading concept: A Business Partnership

Streamlining supply chains through shortened / more
efficient links between community suppliers and
manufacturers / product buyers


NTFP-TF/ CFIF

Translinks workshop, Innotech, Quezon City, Philippines

June 21, 2007



Phil. Furniture Industry Situationer

- The Philippines is known as one of the top design centers for furniture and crafts. Its edge is in the innovative use and combination of natural materials. Hence, exporters are always on the look out for new materials.
 - A limiting factor for the Phil. Export industry is the high price of products. The high cost of raw materials sold by traders/middlemen is one of the factors that contribute to this.
 - The sustainability of the sources of raw materials is fast becoming a concern for exporters. They now realize its importance in the success and longevity of their industry.
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Forest Based Communities

- Upland communities are the ones that have access and rights to the natural resources of the forests.
- However, their lack of awareness and connection with the market limit their ability to recognize value in forest materials
- Forest based communities are in need of a sustainable source of livelihood.



Concept

- A streamlined supply chain through shortened linkages between supplier and manufacturer through a responsible broker



Benefits for Manufacturers

- A reliable and guaranteed source of quality raw/intermediary materials
- New materials for their designs
- Contacts with / development of potential semi-processors
- Long term – assurance to market of sustainably produced forest products

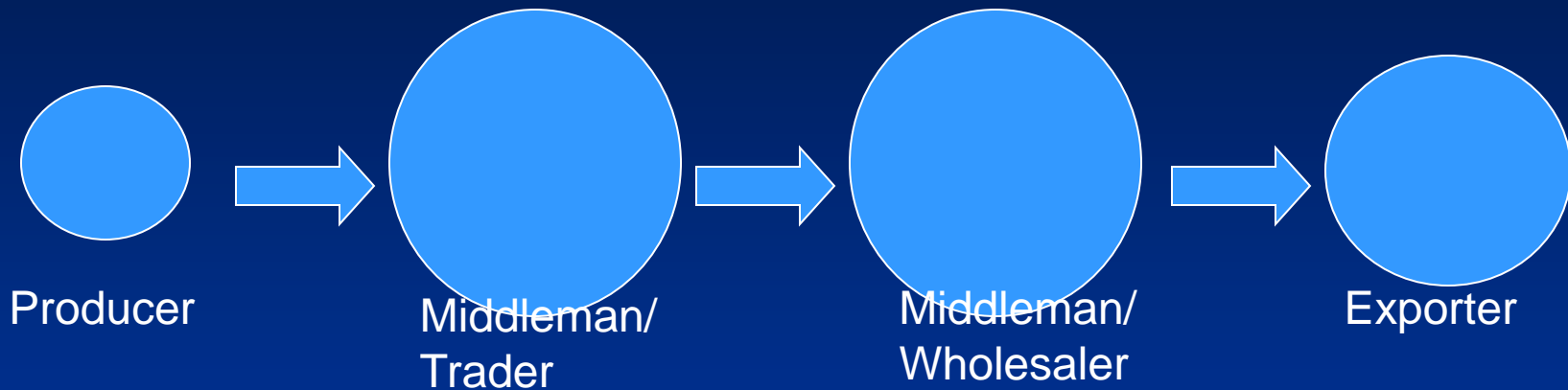


Benefits for the Community

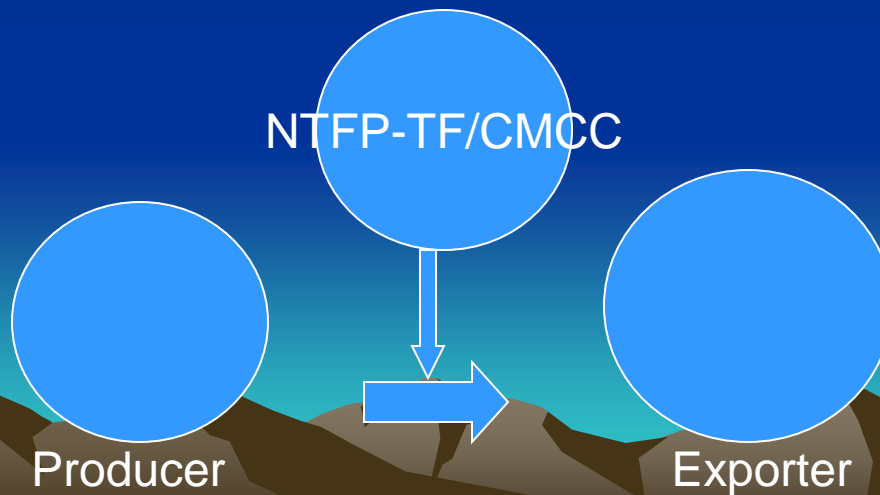
- Communities with limited skills and who are still learning value-addition skills may have an alternative source of income
- Materials that are otherwise considered as waste will be profited from
- Additional training on semi processing of materials required may also provide increased income for suppliers.
- Ready market for community producers



Traditional Supply Chain



Proposed Supply Chain



Strategy

- Joint initiative of Development Organization (NTFP-TF/ or other?) and Industry Association (CFIF).
- Start with one company at a time
 - CFIF identifies exporters that are willing to work with communities and establish direct trading ties.
- Market needs based product development.
 - Identify material needs of exporter/ manufacturer
 - Identify supplier groups that can match supply and raw material needs of exporter/manufacturer
- Establishment of brokering operations
- Matching of supplies to manufacturers
- Mid-Long term -Identification of semi processed potentials
- Long term -Develop Participatory Monitoring and Evaluation (PAME) guidelines for (Criteria and Indicators for sustainable harvest and management) (Long term)

Activities

- **Identification of Exporters and Suppliers**
 - Shortlist of Exporters by CFIF
 - Catalogue of Materials of Community Partners per NTFP/product
- **Supply and Market Study**
 - market study of raw materials (surveying of buying prices and industry practice)
- **Preparation of Suppliers**
 - Trainings
 - gathering/storage
 - semi processing
 - and product development
 - quality standards and practices
 - logistics management
 - Financial Management
 - Benefits/ incentives for weavers/supplier
- **Establishment of Brokering Operations**
- **Actual Trading**
- **Develop PAME for NTFP sustainability (Long term)**
- **Monitoring & Evaluation**

Challenges

- Timeliness, volume of supply, economies of scale
- Stability of policies to allow the regularity of trade of raw materials
- Project support for the establishment of initiative
- Project support for the long term development of PAME for NTFP sustainability (viability of added cost?)
- Threshold of patience of all parties to see the concept through

