



TERMS OF REFERENCE (TOR)

Reviewing the Vietnamese policy framework effecting domestic consumption of wood and wooden products

Project:	PROMOTION OF SUSTAINABLE DOMESTIC WOOD CONSUMPTION IN VIETNAM
SERIAL NUMBER	PD 922/21 Rev.1 (I)
Time frame	1 July 2022 to 31 August 2022
Location	Hanoi

Background of the project

- *Project objectives*
- *Scope of work and outputs*
- *Institutional arrangements with EA /ITTO*
- *Period of work*
- *TOR for individual consultants specifying responsibilities, duration of service, description of work, expected outputs, schedule for delivery of services, and fees*

1. Background/Context

The Vietnamese wood industry sector is represented by 5,650 enterprises and about 340 wood industry villages which are specialized on wood processing and trading. In the last 2 decades, the sector has been predominantly export-oriented making Vietnam one of the top wood product exporters worldwide. In 2020, the value of wood products Vietnam exported to over 140 countries/territories amounted to USD 12,3 billion (in 2000, the similar figure was reported at USD 300 – 400 million). The local consumption of wood products produced mostly by the wood villagers in 2020 was estimated at USD 3.0 billion. With the annual growth of 9%, the size of domestic market covered by nearly 100 million population is predicted to reach USD 4.5 billion in the coming 4 – 5 years. While formalized enterprises are heavily export-oriented and facing difficulties in the domestic market, around 80% of local consumption is met by wood villages with thousands of non-formalized/micro businesses distributed in various wood villages.

The domestic market of wooden products is characterized as follows:

- ✓ Limited awareness of both businesses and consumers on timber legality and sustainable forest management. Yet, most of local consumers are not concerned of wood origin, neither of emission control. The local wood villagers are highly depended on tropical timber imported from countries of non-active geographic areas defined by VNTLAS.
- ✓ Fragmented and non-organized system of production and distribution of wooden products to meet the demand of local market. The designing and styles of wooden furniture produced by woodworking villagers are not matched with the market needs. Therefore, in 2020 Vietnam spent about US\$ 200 to import wooden furniture accounting for 10% of total domestically consumed wooden furniture.
- ✓ Traditional and long-lasting preference of wooden products made of tropical solid hard wood over those of planted wood and of wood-based panels. Locally sourced timber is mostly of small size and lower quality targeting at woodchip/woodpellet or wood-based panel production for export. Wood used for housing and furniture making relies mainly on overseas sourcing.
- ✓ Instead of wood, a certain portion of the Vietnamese population rush to use substituted materials, including plastic, aluminum, concrete etc. ignoring higher power consumption and consequent emission. Many traditional eco-friendly residential areas with traditional and beautiful wooden houses have been converted into urban-looking and much higher power-consuming clusters.
- ✓ The wrong perception that wood is scarce and using wood products means contribution to deforestation, no difference if legally or illegally sourced, is still prevailing on media means. This leads to extremist attitude toward wood use and fabricated pressure on wood manufacturing and exporting industry.
- ✓ Lack of designers and architectures who are dedicated to work in wood industry. Students of civil construction and architectural universities are not motivated to study and get readiness to work with wood industry seeing other industries more attractive. The scarcity of wood product/structure



designers/architects plus the lack of branding expertise lowers the efficiency of Vietnam's wood industry development.

- ✓ With the fast-growing population of nearly 100 million people, GDP growth of around 7% per year, middle class emergence in favor of value-added production, fixed estate/housing market booming, rapid urbanization and demographic changes in favor of higher value-added production, in the coming years, Vietnam's local market for wooden products is expected to enlarge in coming years.

In this context, the Project proposed by Vietnam Timber and Forest Products Association aims to promote sustainable and responsible domestic consumption of wood and wood products in Vietnam by means of policy/legal framework improvement, stakeholder capacity building and connecting and selected/limited demonstrations to diversify and improve the efficiency of wood utilization.

2. Objective of the assignment

2.1 Overall objective

The overall objective of this consultancy is to provide Project a reviewing the Vietnamese policy framework effecting domestic consumption of wood and wooden products

2.2 Specific objectives

This consultancy aims to develop a report on reviewing the Vietnamese policy framework effecting domestic consumption of wood and wooden products. According to the report, the consultant will implement trainings which cover the following topics:

- ✓ Overview of current use of wood and wooden products in domestic market;
- ✓ Policy framework for domestic consumption of wood and wooden products.
- ✓ Provide recommendations for promoting wood and wooden product consumption for domestic market.

3. Main tasks and suggested working schedule of the consultants

- The service provider is expected to perform the following tasks during the consultancy:
 - ✓ Review on national and regional trade promotion programs for domestic market;
 - ✓ Review on Vietnam's current legal regulations and policies on trade and transportation of wood and wooden products for domestic market;
 - ✓ Provide recommendation for domestic market development.

4. Time schedule & Place

Assignment duration: 1 July 2022 to 31 August 2022

Place: Hanoi



No	Activities	Tasks/ Information required by the project	Coordinatio n required and means of coordinatio n	Worki ng days	Deliverab les	Deadline
I DEVELOPING TRAINING MATERIAL DEVELOPMENTS						
1	Review on national and regional trade promotion programs for domestic market;	<ul style="list-style-type: none"> - review of national trade promotion programs for wood and wooden products for domestic markets - review of regional trade promotion programs for wood and wooden products (trade fairs) in HCM City, Binh Duong, Đồng Nai, Bình Định, Hanoi City, Bắc Ninh, Nam Định. 	VIFOREST	10	01 Review note	10 June, 2022
2	Review on Vietnam's current legal regulations and policies on trade and transportation of wood and wooden products for domestic market	<ul style="list-style-type: none"> - Review legal requirements on trade and timber source traceable on timber, business and transportation. - Review of policies for production and trade of wood and wooden furniture in domestic market. 	VIFOREST	10	01 Review note	30 June, 2022
3	Provide recommendation for domestic market development.	<ul style="list-style-type: none"> - Basing on study, Expert will provide recommendations for trade and consumption promotion for wood and wooden products 	VIFOREST	10	01 Review note	15 July, 2022
4	Finalise and submit reports	<ul style="list-style-type: none"> - Final report 	VIFOREST	5	Report	30 July, 2022
TOTAL				35		



5. Deliverables incl. Report

No.	Deliverables	Deadlines & Remarks
1	Review on national and regional trade promotion programs for domestic market	15 July, 2022
2	Review on Vietnam's current legal regulations and policies on trade and transportation of wood and wooden products for domestic market	30 July, 2022
3	Provide recommendation for domestic market development	10 August, 2022
4	Finalise and submit reports	31 August, 2022

6. Requirements of qualification and competencies

- Professional background/expertise in the fields of forestry/timber industry.
- Good analysis skill and good ability to prepare studies of forestry sectors.
- Well familiar with forest/wood legal framework applicable in Vietnam and Vietnamese commitments to assure timber legality.
- Good ability to speak in both Vietnamese and English.

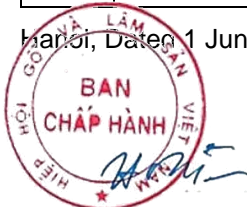
7. Responsibilities of VIFOREST

- VIFOREST will support Expert to perform tasks. This may include preparation of meeting with wood companies and local timber associations for surveys and consultation. VIFOREST will provide related documents and data and delivering Expert updated information on wood industry.
- Provide Expert guidance to prepare necessarily procedures for recruitment.

8. Budget

No	Items	Unit	Rate	Amount (VNĐ)
1	Review on national and regional trade promotion programs for domestic market;	10	3,000,000	30,000,000
2	Review on Vietnam's current legal regulations and policies on trade and transportation of wood and wooden products for domestic market	10	3,000,000	30,000,000
3	Provide recommendation for domestic market development.	10	3,000,000	30,000,000
4	Finalise and submit reports	5	3,000,000	15,000,000
	Total			105,000,000

Hanoi, Dated 1 June 2022



Ngô Sỹ Hoài, Vice Chairman and General Secretary of VIFOREST