

Summary:

Who: Intel, The Nature Conservancy, USAID and Helveta

What: Pilot for national traceability system in Bolivia

Where: Bolivia

When: December 2005 - Present day

How: A plan and proposal for comprehensive traceability and visibility of timber stock moving throughout the supply chain

Key Benefits:

- * Sustainable forestry practices enabled by technology
- * Back-to-stump traceability
- * Increased efficiency of work flow
- * Complete supply chain visibility
- * Minimisation of loss, maximisation of profit

Intel architecture is being used to explore new ways to develop sustainable practices in Bolivia's forest products industry.

Intel, The Nature Conservancy (TNC), the US Agency for International Development (USAID) and Helveta, Ltd., have designed and are piloting technology that may dramatically increase Bolivia's forest sector efficiency, productivity and operational transparency. Doing so will allow Bolivia to extend its leadership in sustainable forest practices.

"Our solution will allow Bolivia's forest regulatory body to rigorously track timber from standing stock to saw mill to when a value-added product is sold in the global market," said Jay McDougall, a Program Manager in Intel's Customer Planning and Logistics Group (CPLG).

"Basically, everyone in the chain of custody will be assured that a Bolivian wood product comes from a sustainable forest and not from illegally harvested timber. Trees that make it to checkpoints without our solution's digital identifiers will signal an alarm and could be removed from the supply stream."

Using technology as a component of sustainable forest practices isn't new; electronic, bar code-based tracking systems have been successfully employed in Indonesia and elsewhere, according to USAID

officials. Last year, TNC, USAID and the Bolivian government asked if a combination of new technologies could help the industry enhance its sustainable practices. So, they turned to CPLG, Intel® Solution Services and start-up Helveta.

"With the help of Intel® Solution Services, we've designed a track and trace system using multiple technologies," explains Jim Kellso, CPLG Manager of Supply Chain Innovation and Pathfinding. "We are proposing to use satellite communication, mobile, wireless-enabled notebooks, servers, wireless handhelds and RFID tags together to deliver a traceability system that tracks every legal log, on every legal truck, in every mill involved in the pilot. Data will be stored in a central software solution Helveta developed. It's an elegant design that may pay off in big ways for Bolivia."

Up to two pilot locations will be selected based on funding. If successful, the parties will decide next steps, which could include a countrywide technology deployment.

Bolivia has struggled with illegal logging even as it has worked to develop more sustainable timber practices including means to reduce illegal logging. The country's existing paper-based processes are susceptible to counterfeit documentation allowing illegally harvested lumber to pass through the supply chain. The result: millions of dollars in tax revenues lost, decreased earnings for legitimate mills, and lower market prices for Bolivian wood products.



"We are working closely with the timber industries and local communities to help them adopt sustainable practices that can strengthen their commitment to sustainability," said Steven Price, monitoring and evaluations specialist for The Nature Conservancy. "By working with them and providing support they need, we are hopeful that we'll see greater adoption of sustainable practices throughout the country."

The Intel-Helveta team estimates the system could deliver an approximate 473 percent return on investment in two years, but the biggest payoff is the ability to guarantee the sustainable origin of Bolivia's timber products to consumers who are increasingly demanding that their products be sustainably manufactured. The Bolivia pilot is one of Intel Community Solutions' initiatives designed to blend Intel's technology expertise with its commitment to

Corporate Responsibility into solutions that strengthen communities world wide.

"We see a definite opportunity to shape the future marketability and brand reputation for Bolivia's forest products industry while at the same time reducing the problem of illegal logging," said Karen Mayer, Community Solutions' new director. "It's a perfect Community Solutions project: everyone wins."

"Helveta had already implemented its track and trace software solution to help control illegal logging in Indonesia and other places," said Peter Hage, Director of Resources, Technology and Information Systems for TNC. "We wanted to test their solution in Bolivia."

Patrick Newton, CEO of Helveta, commented: "Following successful deployments of CI World in hardwood timber supply chains in other parts of the world, we expect that Helveta could make a significant difference to Bolivia's forestry operations. We are happy to be a part of the team that will deliver both sustainability and business benefits to the market".

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