

**Sustainable Forest Products Global Alliance**  
Project period April 1, 2009 – September 30, 2009

Year 7 Quarter 3/4 Report

Submitted by World Wildlife Fund  
October 31, 2009

**Table of Contents**

**TABLE OF CONTENTS ..... 2**

**INTRODUCTION..... 3**

**TABLE 1 – ACTIVITY STATUS FOR SFPGA YEAR 7 ..... 5**

**TABLE 2 – YEAR SEVEN ACCOMPLISHMENTS – APRIL 1, 2009 - SEPTEMBER 30, 2009..... 7**

    OBJECTIVE 1 - ENHANCE DEMAND FOR LEGALLY PRODUCED PRODUCTS FROM WELL-MANAGED FORESTS THROUGH IMPLEMENTATION OF RESPONSIBLE PURCHASING PRACTICES BY GLOBAL BUSINESSES AND OTHER ORGANIZATIONS. .... 7

    OBJECTIVE 2 - INCREASE SUPPLY OF PRODUCTS LEGALLY PRODUCED FROM WELL-MANAGED FORESTS THAT GENERATE SOCIAL, ECONOMIC, AND ECOLOGICAL BENEFITS THROUGH IMPROVED FOREST MANAGEMENT. ....13

    OBJECTIVE 3 - INCREASE EFFICIENT TRADE OF LEGAL FOREST PRODUCTS FROM WELL-MANAGED FORESTS THROUGH THE DEVELOPMENT AND DISSEMINATION OF INFORMATION THAT ENHANCES DECISION MAKING OF WILLING BUYERS AND SELLERS. ....19

**ANNEX 1: ANNUAL SUMMARY TRAINING BY WWF .....27**

**ANNEX 2: ANNUAL SUMMARY OF ECONOMIC INDICATORS BY WWF .....27**

**ANNEX 3: ANNUAL SUMMARY OF LEVERAGE BY WWF .....27**

## Introduction

The Sustainable Forest Products Global Alliance (Global Alliance) is a public/private partnership that seeks to make markets work for forests and people. Together, the partners in the Global Alliance work to advance a new model for forest conservation and community development in USAID-presence countries in which sustainable forest management is rewarded in the global marketplace. By reducing trade in illegally harvested or unsustainably managed forest products, opportunities for resource-dependent communities and low-income producers will grow. The objectives of this project are to:

1. Enhance demand for legally produced products from well-managed forests through implementation of responsible purchasing practices by global businesses and other organizations.
2. Increase supply of products legally produced from well-managed forests that generate social, economic, and ecological benefits through improved forest management.
3. Increase efficient trade of legal forest products from well-managed forests through the development and dissemination of information that enhances decision making of willing buyers and sellers.

Over the last seven years, the Global Alliance has become an effective forum for addressing issues of common concern, creating consensus on solutions to challenges and coordinating approaches among diverse stakeholders from the public and private sectors. The principles of the Global Alliance have been incorporated into the operations and management of companies and organizations around the world.

This report summarizes the accomplishments of one of the non-governmental partner—WWF—for the last half (April 1, 2009 through September 30, 2009) of the seventh funding year of the Global Alliance. During this period, WWF made substantial progress towards accomplishing the expected achievements defined for the year.

The following is the key achievement during the last half of the Year Seven.

- The number of trade participants<sup>1</sup> in the Global Forest & Trade Network (GFTN) has decreased slightly in this reporting period from 258 to **220** companies. This decrease results from three factors: (1) removal of a large number of companies that are Participants in WWF Offices that have declined to continue in the GFTN program; (2) GFTN's strategy to work with companies that have larger volumes and source from WWF priority forests; (3) the global economic crisis has impacted a number of companies, some of which have gone out of business.

---

<sup>1</sup> Trade participant means a participant who is a processor, manufacturer, trader, specifier, or end-user of wood or paper products.

- The 220 trade participants trade **256** million cubic meters of round wood equivalent (RWE) per year (approximately 16% of the global harvest of industrial round wood based on FAO estimates in 2005), which represents nearly US\$**72** billion in forest product sales per year. At the end of Year Seven, there are 11 trade participants on suspension due to their lack of progress against their action plans. (See Figure 1a: GFTN Trade Participants Progress)
- The number of forest participants<sup>2</sup> in the GFTN has increased to **90** companies managing over **27** million hectares of forests, of which **20** million hectares are now under effective management. At the end of Year Seven, there is one forest participant on suspension. The progress of effectively managed hectares has decreased as the global economic crisis has impacted a number of companies, many of which have lost significant exports.<sup>3</sup> (See Figure 2a: GFTN Forest Participants Progress).
- In addition, a total of **83** applicants are at various stages of application process. Those applicants manage additional **4** million hectares of forests and trade approximately US\$**6** billion of forest products per year.
- At the end of Year Seven Quarter Two, GFTN has generated **432** inquiries from trade participants or applicants who wish to purchase more responsibly from forest participants in the network. To date **191** of these enquiries have become market links where the two organizations are now trading. These market links have an estimated value of US\$ **89.2 million**. The remaining 241 enquiries remain open for current or future GFTN participants. These inquiries have a value of in excess of US\$ 323 million and range from plywood and paper and to sawn wood and logs. This represents considerable demand for responsibly produced forest products and is a useful indicator which local GFTNs are using to inspire new participation. (See Figure 3b. GFTN Market Links Progress)
- GFTN estimates approximately **2.1 million** employees and **640 community families** are currently benefiting from the GFTN participating companies.

---

<sup>2</sup> Forest participant means a participant who is a forest owner or manager.

<sup>3</sup> In Year 7 (FY09), despite the economic downturn GFTN participants in Cameroon, Republic of the Congo, Peru and Indonesia increased the area under credible certification by 2,447,383 hectares. Unfortunately these gains were offset by large losses in Brazil and Russia. The GFTN-Brazil program had a structural change with a partnership between GFTN-Brazil and PFCA (Amazon Certified Producer Group). Previously all PFCA members joined GFTN-Brazil as a group. The new relationship removed those members and encouraged members to join separately. This decreased the hectares managed by GFTN-Brazil participants by 932,000 and reduced the credibly certified hectares by 860,000. GFTN-Russia had to refocus efforts on both recruiting new participants and working with existing participants to achieve credible certification in a time of economic downturn that is negatively affecting the Russian forestry sector. For example during the January-February 2009 period Russian exports of forest products decreased by: 59.6% for timber, 35.2% for plywood, 36.0% for cellulose compared with the same period in 2008.<sup>3</sup> This downturn meant a loss of almost 5 million credibly certified hectares for GFTN-Russia.

- During the second half of the Year Seven, GFTN has trained **475** professionals (architects, designers, contractors and building owners); forest products companies, trade associations, NGOs and federal agencies) on purchasing, specifying, and financing responsibly produced and/or traded forest products. In addition, **6,000** people in communities, local NGOs and private sector (forest management companies, primary processors, cooperatives) are trained on how to access markets for responsible forest products.

Following Section 1 gives an overview by each objective and activity and Section 2 highlights major accomplishments and activities made during the second half of Year Seven.

**Table 1 – Activity Status for SFPGA Year 7**

<b>Objective 1</b>	<b>Enhance demand for legally produced products from well-managed forests through the implementation of responsible purchasing practices by global businesses and other organizations.</b>	<b>Baseline (as of the beginning of Year 7)</b>	<b>Progress as of this reporting period</b>
<p><b><i>LOP Results and Targets</i></b></p> <ul style="list-style-type: none"> <li>• By 2011, the share of the value and volume of globally traded forest products traded by GFTN participants doubles to 25% (Aiming at least 3.175% increase annually from Year 6 through 9)</li> <li>• By 2011, the absolute volume of credibly certified products<sup>4</sup> traded by GFTN participants increases to 200 million m<sup>3</sup>, and the % of credibly certified products over total volume of forest products traded by GFTN participants shows continued growth. (Aiming at least 42.25 million m<sup>3</sup> increase annually from Year 6 through 9)</li> </ul>		<ul style="list-style-type: none"> <li>• 16.23% (value)</li> <li>• 15.65% (volume)</li> <li>• 94 million m<sup>3</sup></li> </ul>	<ul style="list-style-type: none"> <li>• <b>19.23% (value)</b></li> <li>• <b>16.17% (volume)</b></li> <li>• <b>112 million m<sup>3</sup></b></li> </ul>
<p><b>Activity 1.a.</b></p>	<p>Identify and work with roughly 350-400 strategically selected buyers and specifiers of forest products (GFTN trade participants) willing to purchase credibly certified products originating in the valuable and threatened forests and committed to implementing purchasing policies aimed at phasing out products from Unwanted sources using the stepwise approach.</p>		

<sup>4</sup> This is the best estimate based on the UNECE 2007 Forest Products Market Review, which states that there are 370 million m<sup>3</sup> of certified wood sold and that 30% of this is by FSC. Therefore, there is estimated 111 million m<sup>3</sup> credibly certified wood on the market.

<b>Activity</b> <b>1.b.</b>	Increase organizational and technical capacity of roughly 350-400 buyers and specifiers (GFTN trade participants and applicants) of forest products to source forest products legally and responsibly. (Assuming every trade participant has at least one training per year, GFTN expects at least 450 people will be trained annually)		
<b>Objective</b> <b>2</b>	<b>Increase supply of products legally produced from well-managed forests that generate social, economic, and ecological benefits through improved forest management.</b>	<b>Baseline</b> (as of the beginning of Year 7)	<b>Progress as of this reporting period</b>
<b>LOP Results and Targets:</b> <ul style="list-style-type: none"> <li>• By 2011, increase the area of forest under improved forest management (area of forest managed by GFTN participants) to 50 million hectares (Aiming at least 6.25 million hectares increase annually from Year 6 through 9).</li> <li>• By 2011, increase the area of forest under effective management as verified by credible certification (area of credibly certified forest managed by GFTN participants) to 25 million hectares (Aiming at least 3.06 million hectares increase annually from Year 6 through 9).</li> </ul>		<ul style="list-style-type: none"> <li>• 27 mil. ha.</li> <li>• 23 mil. ha.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>27 mil. ha.</b></li> <li>• <b>20 mil. ha.</b></li> </ul>
<b>Activity</b> <b>2.a.</b>	Identify and work with roughly 120-150 strategically selected forest owners and managers (GFTN forest participants) in priority forest eco-regions to commit to achieve credible certification with time-bound plans using the stepwise approach.		
<b>Activity</b> <b>2.b.</b>	Increase organizational and technical capacity of roughly 120-150 forest owners and managers (GFTN forest participants and applicants) to manage forests legally and responsibly. (Assuming every forest participant has at least one training per year and three people will be trained per participant on average, GFTN expect at least 450 people will be trained annually)		
<b>Objective</b> <b>3</b>	<b>Increase efficient trade of legal forest products from well-managed forests through the development of responsible forest product market and the dissemination of information that enhances the decision making of willing buyers and sellers.</b>	<b>Baseline</b> (as of the beginning of Year 7)	<b>Progress as of this reporting period</b>
<b>LOP Results and Targets:</b> <ul style="list-style-type: none"> <li>• Increase outreach of market information to corporate and business audience to influence business practices.</li> </ul>		<ul style="list-style-type: none"> <li>• 183 market links (or</li> </ul>	<ul style="list-style-type: none"> <li>• <b>191 market links (or</b></li> </ul>

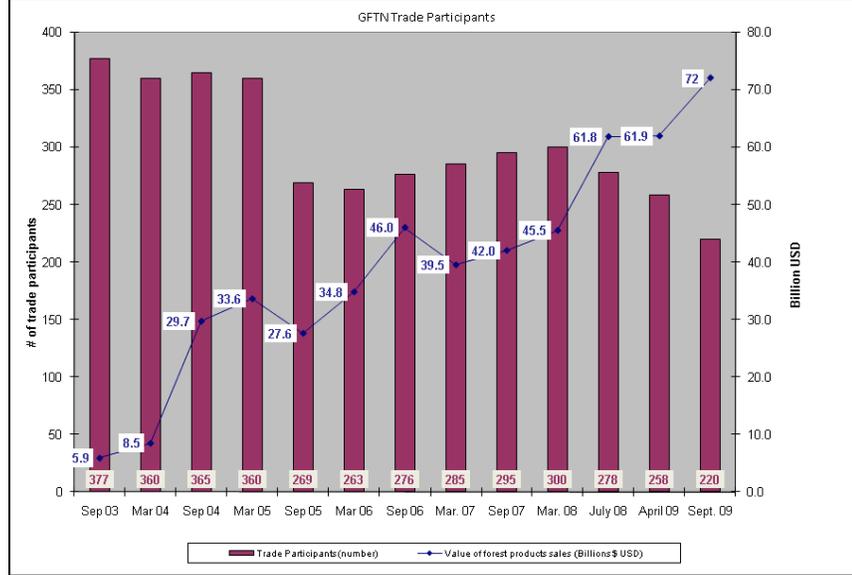
<ul style="list-style-type: none"> <li>By 2011, increase the number of market links (trade relationships) and economic value made among the GFTN participants to 300 market links (or US\$ 150 million). (Aiming at least 35 market links or US\$19 million increase annually from Year 6 through 9).</li> </ul>	\$80 million).	<b>\$89.2 million).</b>
<b>Activity 3.a.</b>	Extend technical, policy, and market information availability via Web-based resources and other venues.	
<b>Activity 3.b.</b>	Provide a mechanism for committed buyers and specifiers to identify suppliers who can supply their requirements and/or to ensure their existing suppliers can meet their requirements; and for committed forest enterprises to identify the buyers who are committed to buy forest products that are credibly certified or progressing towards credible certifications and/or to ensure their existing buyers' commitment for a continuing business while meeting their requirements.	

**Table 2 – Year Seven Accomplishments – April 1, 2009 - September 30, 2009**

<p><b>Objective 1 - Enhance demand for legally produced products from well-managed forests through implementation of responsible purchasing practices by global businesses and other organizations.</b></p>	
<b>Activity</b>	<b>Major Accomplishments</b>
1.a. Identify and work with roughly 350-400 strategically selected buyers and specifiers of forest products (GFTN trade participants) willing to purchase credibly certified products originating in the valuable and threatened forests and committed to	<p><b><u>Progress on LOP Results and Targets:</u></b></p> <ul style="list-style-type: none"> <li>The share of the <b>value</b> of globally traded forest products traded by GFTN participants increased to <b>19.23%</b></li> <li>The share of the <b>volume</b> of globally traded forest products traded by GFTN participants increased to <b>16.17%</b></li> <li>The absolute <b>volume</b> of credibly certified products<sup>5</sup> traded by GFTN participants increased to 112 million m<sup>3</sup>, and the % of credibly certified products over total volume of forest products traded by GFTN participants shows steady progress at 43%.</li> </ul>

<sup>5</sup> This is the best estimate based on the UNECE 2007 Forest Products Market Review, which states that there are 370 million m<sup>3</sup> of certified wood sold and that 30% of this is by FSC. Therefore, there is estimated 111 million m<sup>3</sup> credibly certified wood on the market.

implementing purchasing policies aimed at phasing out products from Unwanted sources using the stepwise approach.



### North America

- GFTN-NA participant Williams-Sonoma, Inc. finalized their baseline audit, Year One Action Plan, and publicized their procurement policies on their [corporate website](#).
- Three applicants are in the process of joining GFTN-NA: Tetra Pak, Hewlett-Packard, and Kimberly-Clark. These three companies will officially be announced in October 2009. Tetra Pak is one of the world's leading suppliers of food processing and packaging systems. Hewlett-Packard is the world's largest technology company and operates in more than 170 countries around the world. Kimberly-Clark is one of the world's leading global health and hygiene company, and the largest tissue manufacturer in the world. Each of these companies has significant market shares and strong abilities to influence their global supply chains and consumer base.

### Europe

*WWF's activities in Europe are supported by matching funds.*

- *New GFTN-Germany Participant:* SIG Combibloc (SIG) joined GFTN-Germany in August. SIG is one of the world's leading suppliers of carton packaging for the food and beverage industry. SIG sources from Scandinavia and exports to the global market. SIG trades approximately US\$1.7 billion per year in forest products.
- *Significant progress in the UK:* GFTN-UK participant B&Q, the UK's largest home improvement retailer, has obtained complete FSC certification for

their entire tropical plywood supply. All of B&Q's tropical hardwood plywood, which is sourced from community-owned and private forests in Brazil, is now FSC-certified. There are 370 families involved in the community forestry projects surrounding the production of B&Q's tropical plywood supply, with the retailer requiring hundreds of thousands of sheets of tropical hardwood plywood a year.

Asia Pacific

*WWF's activities in Asia are supported by matching funds.*

- *Two new participants in Indonesia:* GFTN-Indonesia welcomed two new participants PT. Indo Bagus Slat and PT Jaya Raya Trasindo (JRT).
- PT. Indo Bagus Slat is a pencil slat manufacture that sources from Borneo, Columbia and the Solomon Islands. They trade approximately 11 million cubic meters with the majority of exports going to Germany. Indo Bagus Slat has worked with GFTN-Indonesia to complete their baseline assessment to determine the status of their supply chain and have agreed to a time bound action plan to implement their responsible sourcing commitments.
- PT Jaya Raya Trasindo (JRT), is a foreign investment woodworking manufacturer in Indonesia. JRT produces a variety of timber products including decking, fencing, garden tiles and flooring. JRT is a subsidiary of Sitra Holdings International Ltd., a leading Singapore-based distributor of quality wood-based products and lifestyle outdoor furniture, with more than 277 corporate customers in 48 countries. In joining GFTN-Indonesia, JRT has publically committed to sourcing certified timber from its key sources in Borneo and Papua. This pledge is an extension of JRT's existing commitment towards achieving best management practices, which included obtaining Forest Stewardship Council (FSC) Chain of Custody (CoC) certification in January 2008.
- *One new participant in India:* GFTN-India recruited ITC to join as GFTN-India's first participant. ITC manufactures paper and paperboard products, it sources from India and the global pulp market with exports going to over 20 countries.
- *Three new participants in Vietnam:* GFTN-Vietnam welcomed Khai Vy Corporation, Duc Nhan Joint Stock Company, and Tri Tin Company. Khai Vy, Duc Nhan and Tri Tin manufacture indoor and outdoor furniture, garden furniture and sawnwood. The companies sources from SE Asia and together export approximately 160,000 cubic meters to Europe each year.

	<ul style="list-style-type: none"> <li>• <i>Four new applicants in China:</i> GFTN-China is working with four new applicants: Langfan Dongshen Wood, Wuxi Jackson, Jilin Forest Industry Jinqiao Flooring, and Hangzhou Dasso Flooring. Langfang Dongsheng purchases their raw material from China and is seeking new sources of FSC material from other countries, with exports going to the US and within China. Wuxi Jackson sources from Central African countries and exports to the US, Netherlands, UK and Australia. Jilin Forest Industry Jinqiao Flooring source from China and the Russian Far East with exports to Europe and within China. Hangzhou Dazhuang Floor Co. is a flooring manufacturer that sources from China, Cameroon, Gabon, and Brazil with exports to 27 countries including Germany, US and Russia.</li> </ul> <p><u>Bolivia</u></p> <p><i>WWF's activities in Bolivia are supported by matching funds.</i></p> <ul style="list-style-type: none"> <li>• <i>One new participant in Bolivia:</i> GFTN-Bolivia is welcomed Wood House Rinfa, which produces flooring, decking and doors for export to Europe and China.</li> <li>• <i>One new applicant in Bolivia:</i> GFTN-Bolivia is working with applicant, Industria Maderera Los Pentunos, which produces sawnwood for export to the US and Europe.</li> </ul>
<p>1.b. Increase organizational and technical capacity of roughly 350-400 buyers and specifiers (GFTN trade participants and applicants) of forest products to source forest products legally and responsibly. (Assuming every trade participant has at least one training per year, GFTN expect at least 450 people will be trained annually)</p>	<p><u>North America</u></p> <ul style="list-style-type: none"> <li>• In August of 2009, Williams-Sonoma, Inc (WSI) conducted a supplier visit to Indonesia, Vietnam and China to gain a better understanding of regional forest and trade issues and the steps needed to meet their responsible purchasing goals in the next year. During this visit WSI met with current suppliers and WSI factories, some of which are already GFTN participants in their respective regions, and met with GFTN participants that could be potential suppliers as WSI looks to improve their supply chain in the region.</li> <li>• GFTN-NA is working collaboratively with WWF-US government relations and TRAFFIC on Lacey Act implementation. This work includes participation in the Lacey Coalition that includes US NGOs and companies that support the Act. The GFTN-NA Manager gave a presentation at the annual GFTN meeting in Peru to educate 26 GFTN managers on the Lacey Act, what it means and how to communicate with companies.</li> </ul> <p><u>Russia</u></p> <ul style="list-style-type: none"> <li>• GFTN-Russia provided training on the <i>Responsible Purchasing Guide</i> to two</li> </ul>

	<p>applicants, Lesnoy Profil and Arkhangelsk Plywood Mill and assisted with the development of environmental policies and action plans.</p> <p><i>Asia Pacific</i></p> <p><i>WWF's activities in Asia are supported by matching funds.</i></p> <ul style="list-style-type: none"><li>• GFTN-Indonesia in conjunction with Smartwood held a High Conservation Value Forest (HCVF) training session which was attended by 35 people including GFTN-Indonesia Forest and Trade participants, local NGOs, and community organizers. The two day training included an overview of HCVF and field visits to understand the HCV principles. This was especially useful for trade participants who began the workshop with limited understanding of HCVF.</li><li>• GFTN-Indonesia held a three day training workshop on responsible purchasing policies and implementation skills in West Kalimantan for 85 people including GFTN-Indonesia participants and stakeholders.</li><li>• GFTN-Malaysia supported BKB Hevea Products SB in the development of a responsible purchasing policy and action plan. This included training eight BKB Hevea personnel including the operation manager, purchasing executive, production manager, and staff from the marketing department on the GFTN <i>Responsible Purchasing Guide</i>, identification of timber sources and environmental status categorization.</li></ul>
--	---

**Table 1: Annual Summary of Policy Success**

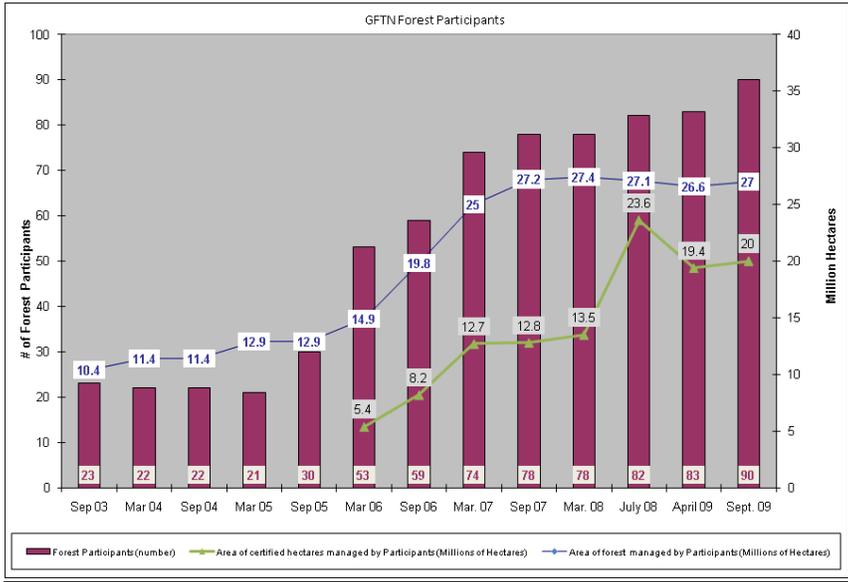
Policy Results Worksheet		Steps Completed (# of companies as of September 30, 2009)			
Policy Initiatives		Policy analyses*	Policy reform/development*	Policies adopted by local, national, or regional institutions*	Policies implemented
GFTN-North America		3	0	0	7
GFTN Europe		33	0	0	163
Asia	GFTN-Australia	12	0	0	7
	GFTN-China	13	2	0	25
	GFTN-Vietnam	1	0	0	10
	GFTN-Indonesia	0	1	0	33
	GFTN-Malaysia	18	0	1	12
GFTN-Ghana		0	1	0	6
GFTN-Central Africa (Cameroon, CAR, DRC, Gabon, Republic of Congo)		20	0	0	6
GFTN-Bolivia		4	3	0	19
GFTN-Peru		6	0	0	9
GFTN-Brasil		4	1	1	7
<b>Total</b>		<b>114</b>	<b>8</b>	<b>3</b>	<b>304</b>

**Policy successes**

3 policy successes

- **Companies committed to responsible purchasing of wood and paper products.** GFTN is working with companies who have signed 304 MOUs and are implementing their commitment to make a significant progress on sourcing forest products responsibly by creating or improving their responsible purchasing policies.
- **The Sabah Forestry Department** announced the decision to ensure that all the Sustainable Forest Management License Agreement holders in Sabah will need to achieve credible forest certification before 2012.
- **The Sao Paulo State Government and the Municipality of São Paulo launched the Legal Timber Commitment.** The program aims at fostering the use of legal and certified wood by the construction industry within the state of Sao Paulo. Together, the participants will develop control mechanisms to make sure that public institutions and construction companies use and demand wood from their suppliers in compliance to the environmental legislation and whenever possible, to the FSC criteria.

**Objective 2 - Increase supply of products legally produced from well-managed forests that generate social, economic, and ecological benefits through improved forest management.**

Activity	Major Accomplishments																																																								
<p>2.a. Identify and work with roughly 120-150 strategically selected forest owners and managers (GFTN forest participants) in priority forest eco-regions to commit to achieve credible certification with time-bound plans using stepwise approach.</p>	<p><b><i>Progress on LOP Results and Targets:</i></b></p> <ul style="list-style-type: none"> <li>The area of forest under improved forest management (area of forest managed by GFTN participants) remained steady at <b>27</b> million hectares (Aiming at least 6.25 million hectares increase annually from Year 6 through 9).</li> <li>The area of forest under effective management as verified by credible certification (area of credibly certified forest managed by GFTN participants) decreased slightly to <b>20</b> million hectares (Aiming at least 3.06 million hectares increase annually from Year 6 through 9).</li> </ul>  <table border="1"> <caption>GFTN Forest Participants Data</caption> <thead> <tr> <th>Date</th> <th>Forest Participants (number)</th> <th>Area of certified hectares managed by Participants (Millions of Hectares)</th> <th>Area of forest managed by Participants (Millions of Hectares)</th> </tr> </thead> <tbody> <tr> <td>Sep 03</td> <td>23</td> <td>10.4</td> <td>10.4</td> </tr> <tr> <td>Mar 04</td> <td>22</td> <td>11.4</td> <td>11.4</td> </tr> <tr> <td>Sep 04</td> <td>22</td> <td>11.4</td> <td>11.4</td> </tr> <tr> <td>Mar 05</td> <td>21</td> <td>12.9</td> <td>12.9</td> </tr> <tr> <td>Sep 05</td> <td>30</td> <td>12.9</td> <td>12.9</td> </tr> <tr> <td>Mar 06</td> <td>53</td> <td>5.4</td> <td>14.9</td> </tr> <tr> <td>Sep 06</td> <td>59</td> <td>8.2</td> <td>19.8</td> </tr> <tr> <td>Mar 07</td> <td>74</td> <td>12.7</td> <td>25</td> </tr> <tr> <td>Sep 07</td> <td>78</td> <td>12.8</td> <td>27.2</td> </tr> <tr> <td>Mar 08</td> <td>78</td> <td>13.5</td> <td>27.4</td> </tr> <tr> <td>July 08</td> <td>82</td> <td>23.6</td> <td>27.1</td> </tr> <tr> <td>April 09</td> <td>83</td> <td>19.4</td> <td>26.6</td> </tr> <tr> <td>Sept. 09</td> <td>90</td> <td>20</td> <td>27</td> </tr> </tbody> </table> <p><b><i>Asia</i></b></p> <p><i>WWF's activities in Asia are supported by matching funds.</i></p> <ul style="list-style-type: none"> <li><i>Two new participants in Indonesia:</i> GFTN-Indonesia welcomed PT. Suka Jaya Makmur and PT Inhutani I. Both companies manage forests in the Heart of Borneo, a WWF priority forest. PT. Suka Jaya manages 171,000 hectares and PT Inhutani I manages 50,220 ha.</li> <li><i>Three new applicants in Malaysia:</i> GFTN-Malaysia is working with Ta Ann,</li> </ul>	Date	Forest Participants (number)	Area of certified hectares managed by Participants (Millions of Hectares)	Area of forest managed by Participants (Millions of Hectares)	Sep 03	23	10.4	10.4	Mar 04	22	11.4	11.4	Sep 04	22	11.4	11.4	Mar 05	21	12.9	12.9	Sep 05	30	12.9	12.9	Mar 06	53	5.4	14.9	Sep 06	59	8.2	19.8	Mar 07	74	12.7	25	Sep 07	78	12.8	27.2	Mar 08	78	13.5	27.4	July 08	82	23.6	27.1	April 09	83	19.4	26.6	Sept. 09	90	20	27
Date	Forest Participants (number)	Area of certified hectares managed by Participants (Millions of Hectares)	Area of forest managed by Participants (Millions of Hectares)																																																						
Sep 03	23	10.4	10.4																																																						
Mar 04	22	11.4	11.4																																																						
Sep 04	22	11.4	11.4																																																						
Mar 05	21	12.9	12.9																																																						
Sep 05	30	12.9	12.9																																																						
Mar 06	53	5.4	14.9																																																						
Sep 06	59	8.2	19.8																																																						
Mar 07	74	12.7	25																																																						
Sep 07	78	12.8	27.2																																																						
Mar 08	78	13.5	27.4																																																						
July 08	82	23.6	27.1																																																						
April 09	83	19.4	26.6																																																						
Sept. 09	90	20	27																																																						

	<p>Idris Hydraulic, and Borlin Forest Reserve as they progress through their baseline assessments and design action plans. Ta Ann is one of the largest timber companies in Sarawak with 200,000 ha. Three of Ta Ann’s mills have undergone baseline assessments and are in the process of developing action plans. Idris Hydraulic manages 166,000ha, Borlin Forest Reserve manages 30,000 ha both have started the baseline assessment process.</p> <p><u>West Africa</u></p> <ul style="list-style-type: none"> <li>• <i>New participant in Ghana:</i> GFTN-Ghana welcomed Ayum, which manages a 101,539 hectares concession and produces 20,000 m<sup>3</sup> of dowels, flooring, sliced and rotary veneer, mouldings and sawnwood per year with exports to Europe and the United States.</li> </ul> <p><u>Central Africa</u></p> <ul style="list-style-type: none"> <li>• GFTN-Central Africa (GFTN-CA) is working with SIFORCO, an applicant located in the DRC with 1.9 million hectares. SIFORCO is preparing for an FSC pre-audit to complete their baseline assessment and develop an action plan.</li> <li>• GFTN-CA is working with SFID/Rougier Cameroon as they progress through the application process. GFTN provided technical assistance to SFID for the development of their action plan following the results of the pre-audits. SFID manages 500,000 ha in Cameroon.</li> </ul> <p><u>Bolivia</u></p> <p><i>WWF’s activities in Bolivia are supported by matching funds.</i></p> <ul style="list-style-type: none"> <li>• GFTN-Bolivia is working with three new participants: San Juan Pando, Boltial, and Ipacarai. San Juan Pando manages 60,000 hectares of southwestern Amazonia moist forests. San Juan Pando manufactures sawnwood, flooring, and doors that are exported to the United States, Holland, Spain, and Chile. Boltial manages 112,000 hectares of southwestern Amazonia moist forests and manufactures sawnwood, flooring and triplay for export to the United States, China, Argentina, Chile, and Italy. Ipacarai manages 30,000 hectares of Southwestern Amazonia Moist Forests and manufactures sawnwood for export to China, Japan, Belgium, Mexico, and Spain.</li> <li>• GFTN-Bolivia is working with CIMAL IMR as they progress through the application process. CIMAL IMR manages more than 700,000 ha.</li> </ul>
<p>2.b. Increase organizational and technical capacity of</p>	<p><u>Europe</u></p> <p><i>WWF’s activities in Europe are supported by matching funds.</i></p> <ul style="list-style-type: none"> <li>• GFTN-Romania hosted two FSC certification trainings for forest</li> </ul>

<p>roughly 120-150 forest owners and managers (GFTN forest participants and applicants) to manage forests legally and responsibly. (Assuming every forest participant has at least one training per year and three people will be trained per participants on average, GFTN expect at least 450 people will be trained annually)</p>	<p>managers and communities. The first training was in the Covasna area for 22 participants, the second was for 14 forest managers from Hatod and Baraolt forest districts.</p> <p><u>Asia</u></p> <p><i>WWF's activities in Asia are supported by matching funds.</i></p> <ul style="list-style-type: none"> <li>• GFTN-Malaysia hosted a study tour with WWF-Vietnam which brought 23 representatives from WWF-Vietnam, the Vietnam Forest State Enterprise and Acacia planters. They toured Asia Prima - an FSC certified acacia plantation- and GFTN participant Kumpulan Pengurusan Kayu Kayan Terengganu (KPKKT). The study tour was an important cross-directional learning and capacity building experience regarding forest management and chain of custody certification.</li> <li>• GFTN-Malaysia held a HC VF consultation workshop that was attended by over 30 representatives from the timber industry including GFTN-Malaysia participant Inspiration Furniture SB and the Sabah Timber Industry Association. Participants were introduced to the HC VF concept and provided with tools and techniques to incorporate HC VF into forest management practices and their timber purchasing policies.</li> <li>• GFTN-Indonesia provided training to Perum Perhutani in order to assist the company as two of their Forest Management Units prepare for a certification audit.</li> </ul> <p><u>West Africa</u></p> <ul style="list-style-type: none"> <li>• GFTN-Ghana organized a workshop for participants and certification partners to review progress of companies' toward certification discuss common and differential challenges and formulate strategies for overcoming these challenges in the coming year. 25 people attended including the Executive Director of the Forest Services Division and the GFTN-Central Africa manager who was able to provide lessons learned through his work in the Congo Basin. The outcomes of the workshop are to be incorporated in the work plan for the coming year.</li> <li>• GFTN-Ghana participant, Logs &amp; Lumber Ltd received training on Reduced Impact Logging. Outcomes include a drastic reduction in the collateral damage to residual forest stands during logging. In addition, such trainings have led to a considerable reduction in the cost of production due to increased efficiency.</li> <li>• GFTN-Ghana co-organized training on forest management planning with the Forestry Commission for all Regional and District Forest Managers in the High Forest Zones at Takoradi and Kumasi. The initial training served to introduce all Regional and District Managers to management plan</li> </ul>
--	--

	<p>development and the necessary data to gather from each forest reserve. As a result drafts of all 20 forest management plans will be developed.</p> <ul style="list-style-type: none"> <li>• GFTN-Ghana has continued the community training and education seminars on Social Responsibility Agreements and communities' rights and responsibilities for local communities. The most recent of these training seminars was conducted with the Wassanpo community for 77 people. Training was held for communities in the Ampameso and Amama Forest Reserves. Such trainings are critical for improving forest governance and local peoples' understanding of forest laws, their responsibilities and rights in the management and protection of forest in Ghana. The trainings and educational seminars will contribute to facilitating the formation of national and local forest forum, a process lead by FAO and Forest Commission of Ghana.</li> </ul> <p><u>Russia</u></p> <ul style="list-style-type: none"> <li>• GFTN-Russia hosted five seminars for seven GFTN-Russia participants in order to prepare them for upcoming FSC forest management audits. Training included best practices on multiple uses of FSC forests, including timber and non-timber forest products, complex processing, ensuring and supporting livelihoods and ecotourism.</li> <li>• GFTN-Russia hosted three workshops to promote sustainable forest management and FSC certification in Khabarovsk, Tomsk, and Kazan.</li> </ul> <p><u>Central Africa</u></p> <ul style="list-style-type: none"> <li>• <i>In Cameroon:</i> GFTN-CA participant, Pallisco, received assistance on working with eight Community Forest Committees (CPF) located around Pallisco's FMUs. These CPF covers 105 villages including 40 villages for pygmies. Local NGOs who can provide long-term support to the CPF for their organization were identified.</li> <li>• <i>In Cameroon:</i> GFTN-CA provided technical assistance to SEFCA in their Action Plan implementation based on results from a control audit conducted in 2008. Areas of support include capacity building on Reduced Impact Logging and the establishment of a consultation frameworks between the company and local communities.</li> </ul>
<p>2.c. Increase the area of forest under effective management as verified by credible certification.</p>	<p><u>Russia</u></p> <ul style="list-style-type: none"> <li>• GFTN-Russia participants: Mondi Syktyvkar, Lesnoy Profil and Lesprom-Invest received FSC Forest Management Certification. Mondi Syktyvkar received FSC certification for 717,000 hectares, Lesnoy Profil for 101</li> </ul>

	<p>hectares, and Lesprom Invest for 41,000 hectares. Mondi Syktyvkar is a paper manufacturer that exports to Eastern Europe and the UK. Lesnoy Profil is a primary processor that sources from Russia and exports to Europe. Lesprom-Invest is a forest management company that sells roundwood to the Russian market.</p> <ul style="list-style-type: none"><li>• GFTN-Russia participants Arkhangelsk Plywood Mill, Interpulp Trading, Sokol Timber Co., Pitkjaranta Pulp Mill and Lesnoy Profil all received FSC COC certificates.</li></ul> <p><u><i>Latin America and the Caribbean</i></u></p> <p><i>WWF's activities in Latin America are supported by matching funds.</i></p> <ul style="list-style-type: none"><li>• <i>In Bolivia:</i> GFTN-Bolivia participant, Rinfra Wood House was awarded FSC COC certification.</li><li>• <i>In Peru:</i> GFTN-Peru participants CFA Inforhuay and Transforestal received FSC COC certification. CFA Inforhuay is a forest and trade participant that manages 180,000 ha and produces sawnwood for export to the US, China and Europe. Transforestal produces sawnwood and flooring for export to Europe, Asia and North America.</li></ul>
--	---

**Table 2: Annual Summary of Effective and Improved Hectares**

	Total hectares		Effective hectares*		Improved hectares**	
	effective/improved management					
	Accumulative	Changes since Y6 End	As of Year 7 End	Changes since Y6 End	As of Year 7 End	Changes since Y6 End
<b>Bolivia</b>	872,701	292,113	525,272	0	347,429	292,113
<b>Brazil</b>	160,061	-932,904	104,512	-860,308	31,820	-96,421
<b>Costa Rica</b>	N/A	N/A	N/A	N/A	N/A	N/A
<b>Cameroon</b>	1,408,286	561,172	878,896	372,281	528,390	-317,109
<b>CAR</b>	0	0	0	0	0	0
<b>China</b>	1,238,876	N/A	1,084,963	N/A	153,913	N/A
<b>DRC</b>	0	0	0	0	0	0
<b>Gabon</b>	0	0	0	0	0	0
<b>Rep Congo</b>	1,159,643	0	1,159,643	1,159,643	0	-1,159,643
<b>Ghana</b>	443,227	113,383	0	0	443,227	113,383
<b>Indonesia</b>	640,472	46,460	416,600	416,600	223,872	-370,140
<b>Malaysia</b>	502,689	133,107	217,800	-42,880	230,889	-29,791
<b>Nicaragua</b>	N/A	N/A	N/A	N/A	N/A	N/A
<b>Panama</b>	N/A	N/A	N/A	N/A	N/A	N/A
<b>Peru</b>	498,859	72,596	498,859	498,859	0	-426,263
<b>Romania</b>	25,440	0	25,440	0	0	0
<b>Russia</b>	20,983,585	-92,564	15,934,200	-4,970,279	5,049,385	4,877,715
<b>Vietnam</b>	9,500	5,400	0	0	9,500	5,400
<b>SFPGA Total</b>	<b>27,943,339</b>	<b>198,763</b>	<b>20,846,185</b>	<b>-3,426,084</b>	<b>7,081,425</b>	<b>2,889,244</b>

**Notes:**

Above figures are based on the GFTN data as of September 30, 2009. Since GFTN membership could be terminated any time if the company does not perform at the satisfactory level, the figure could decrease.

In Year 7 (FY09), despite the economic downturn GFTN participants in Cameroon, Republic of the Congo, Peru and Indonesia increased the area under credible certification by 2,447,383 hectares. Unfortunately these gains were offset by large losses in Brazil and Russia. The GFTN-Brazil program had a structural change with a partnership between GFTN-Brazil and PFCA (Amazon Certified Producer Group). Previously all PFCA members joined GFTN-Brazil as a group. The new relationship removed those members and encouraged members to join separately. This decreased the hectares managed by GFTN-Brazil participants by 932,000 and reduced the credibly certified hectares by 860,000. GFTN-Russia had to refocus efforts on both recruiting new participants and working with existing participants to achieve credible certification in a time of economic downturn that is negatively affecting the Russian forestry sector. For example during the January-February 2009 period Russian exports of forest products decreased by: 59.6% for timber, 35.2% for plywood, 36.0% for cellulose compared with the same period in 2008.<sup>1</sup> This downturn meant a loss of almost 5 million credibly certified hectares for GFTN-Russia.

**\*Effective forest management**

**20,846,185 hectares** total under effective management represented by membership of GFTN producer groups. Effective management is verified by credible, independent, third-party certification. The numbers are accumulative through the life of the project.

**\*\*Improved forest management**

**7,081,425 hectares** total under improved management as demonstrated by completion of a baseline appraisal and development of a timetabled action plan for achieving certification through GFTN producer groups. The numbers are accumulative through the life of the project.

<b>Objective 3 - Increase efficient trade of legal forest products from well-managed forests through the development and dissemination of information that enhances decision making of willing buyers and sellers.</b>	
<b>Activity</b>	<b>Major Accomplishment</b>
3.a. Extend technical, policy, and market information availability via Web-based resources and other venues.	<p><u>Global Highlights</u></p> <ul style="list-style-type: none"> <li>GFTN has published its Quarterly newsletter for Spring and Summer 2009. These documents highlight the recent development of GFTN and its participants around the world. Both monthly news updates as well as quarterly newsletters were distributed to over 2,300 subscribers to the GFTN website.</li> </ul> <p><u>North America</u></p> <ul style="list-style-type: none"> <li>GFTN-NA published a trade brief for US companies purchasing forest products from the Amazon region. The brief highlights the illegal and unsustainable logging and trade issues in these regions and subsequent impacts on biodiversity and local communities. The brief also illustrate how GFTN-NA helps US and Canadian companies to obtain responsibly harvested and credibly certified forest products from this region in order to protect the areas valuable and threatened forests.</li> </ul> <p><u>Russia</u></p> <ul style="list-style-type: none"> <li>GFTN-Russia continues long-term engagement to increase the demand for FSC products in the Russian market. Activities held over the past six months include: a roundtable concerning office paper, two press conferences concerning the launch of the campaign and adoption of the green standards for the winter Olympic Games in Sochi of 2014, the development of the Moscow city public procurement policy, development of the campaign promotion materials, including posters, leaflets, booklets, and a web page. A special issue of the <i>Forest Certification</i> journal was</li> </ul>

completely devoted to the FSC campaign. The next roundtable on using FSC materials in offices and architecture is under preparation as well as seminars for the Organizing Committee of the Olympic Games to raise awareness of FSC certification.

#### Latin America and Caribbean

*WWF's activities in Latin America are supported by matching funds.*

- *Community Forestry:* GFTN-Latin America is producing a comprehensive report on community forestry projects in Latin America and providing an inventory of all the tools developed during the past six years. The report and tool inventory have been completed and presented at a workshop in Santa Cruz, Bolivia. Key outcomes include synthesis of community benefits; changes in the political and institutional frameworks at national, regional and local levels; approaches and methodologies used to achieve the impacts; lessons learned; and future challenges. Regional training for indigenous technical leaders will be presented before the end of 2009.

#### Asia

*WWF's activities in Asia are supported by matching funds.*

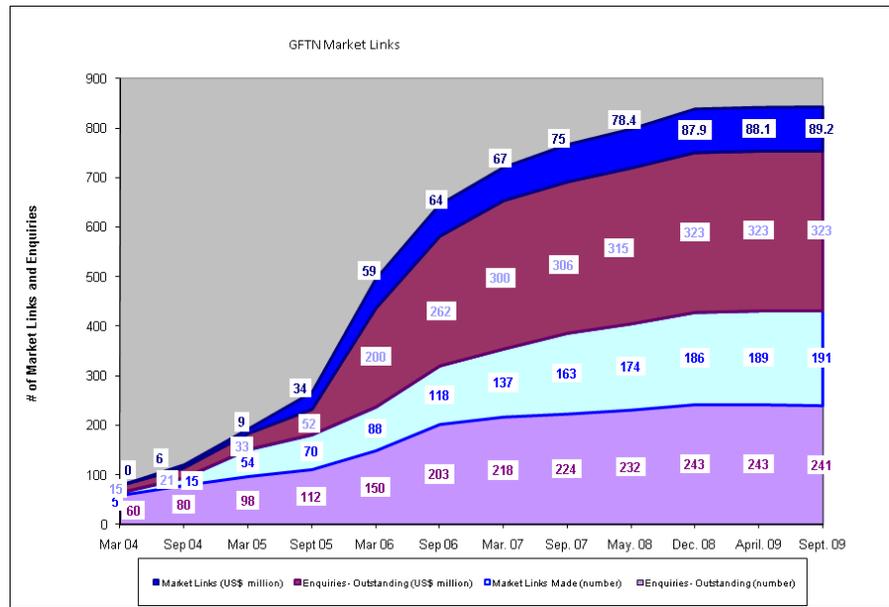
- *In Indonesia:* GFTN-Indonesia is working with Sumalindo (GFTN-Indonesia Forest Participant) and Sucofindo (Independent Auditor Institution) on a Lacey Act project. The project will develop a case study on demonstrating compliance with the "due care" component of the Lacey Act. The project will take advantage of forest floor to retail store supply chains within the GFTN and assist local exporters in understanding the Lacey Act and showcasing best practices. GFTN-Indonesia is also coordinating with the Ministry of Forests to ensure that a policy that can be widely used for producer exporting to the US.
- *In China:* The GFTN-China Manager attended the China Sustainable Building Forum in June and presented on "Green building and GFTN" providing explanation on FSC certification to government officials, architects, and industry representatives.

#### West Africa:

- GFTN in collaboration with the EC VPA Coordination Office has initiated a program to develop a communication medium for educating industry and other stakeholders on the implementation of the VPA requirements and certification standards base on current market trends. A newsletter will be published quarterly starting in October.

	<p><u><i>Central Africa:</i></u></p> <ul style="list-style-type: none"> <li>● <i>In the DRC:</i> GFTN-CA organized three sensitization meetings for the forestry administration, NGOs and logging companies for the promotion of sustainable forest management and legal logging. These meetings followed the conclusion of the end of the forest title conversion process and aimed to mobilize key players of the forestry sector for the involvement in the implementation of GFTN objectives in the DRC. These meetings identified key actions to fill the gaps for the promotion of responsible forestry in the country.</li> <li>● <i>In the DRC:</i> GFTN provided support to the DRC National Working Group on Sustainable Forest Management for the development of the Principles, Criteria and Indicators for the management of natural forests adapted to the DRC context. The workshop was attended by 41 people and achieved: Revival of the National Working Group on SFM in DRC; Training of the National Working Group for SFM on the development of the Principles, Criteria and Indicators for SFM on natural forests in DRC; and, Development of the First Draft of ATO/ITTO PCI for SFM of natural forests in DRC.</li> <li>● <i>In Cameroon:</i> GFTN-CA provided technical supports to FSC-Africa for the Second Regional workshop for the development of the FSC-Regional Standard for forest certification in the Congo Basin. This workshop brought together 41 people including representatives from the forestry industry. A second draft of the FSC standard for the Congo Basin was produced. A Regional Working Group meeting is scheduled for September 2009 and a validation meeting is planned in November 2009.</li> <li>● <i>In Cameroon:</i> The GFTN-CA organized the Regional Meeting on credible certification in the Congo Basin. This meeting was organized in collaboration with CBFP, IFIA and FSC under COMIFAC and ATO. The event brought together more than 85 people from the public sector, forestry industry, civil society, service providers (CBs and Consultancy Bodies), donors and individual resource persons from within and outside the Congo Basin. This event was the launch of participatory process to ensure credible certification in the Congo Basin; outcomes include the establishment of a Regional Working Group on Credible Certification in the Congo Basin.</li> </ul>
<p>3.b. Provide a mechanism for committed buyers and specifiers to identify</p>	<p><u><i>LOP Results and Targets:</i></u></p> <ul style="list-style-type: none"> <li>▪ The number of market links (trade relationships) and economic value made among the GFTN participants increased to <b>191</b> market links (or US\$ <b>89.2</b> million).</li> </ul>

suppliers who can supply their requirements and/or to ensure their existing suppliers can meet their requirements; and for committed forest enterprises to identify the buyers who are committed to buy forest products that are credibly certified or progressing towards credible certifications and/or to ensure their existing buyers' commitment for a continuing business while meeting their requirements.



Market links:

- At the end of Year Seven Quarter Two, GFTN has generated **432** enquiries from trade participants or applicants who wish to purchase more responsibly from forest participants in the network. To date **191** of these enquiries have become market links where the two organizations are now trading. These market links have an estimated value of **US\$ 89.2 million**. The remaining 241 enquiries remain open for current or future GFTN participants. These enquiries have a value of in excess of US\$ 323 million and range from plywood and paper and to sawn wood and logs. This represents considerable demand for responsibly produced forest products and is a useful indicator which local offices are using to inspire new GFTN participation.

Highlight

- *Brazil/UK links:* GFTN-Brazil participant, Triunfo is now supplying only FSC plywood to Finnforest a supplier to B&Q, a GFTN-UK participant.
- *Bolivia links:* GFTN-Bolivia hosted their third Business Roundtable Mission in Santa Cruz de la Sierra, Bolivia. This event offered 22 visiting international buyers the opportunity to meet with 7 GFTN-Bolivia participant companies, resulting in potential market links worth an estimated US\$12 million. Confirmed market links include US\$10.5 million worth of products between:
  - Ecolegno is trading decking and fencing with a GFTN-Germany participant BHB.

	<ul style="list-style-type: none"><li>○ Tropical Andes is trading FSC sawnwood and decking with Fortim Trading from Belgium.</li><li>○ SUMAPACHA is trading furniture and doors with a Venezuelan company Importadora Kochen.</li><li>● <i>Iberia/Indonesia links:</i> A GFTN Iberia participant is trading merbau flooring with a GFTN-Indonesia participant.</li><li>● <i>Iberia/China links:</i> A GFTN Iberia participant in Spain is trading flooring products with a GFTN-China participant.</li><li>● <i>Indonesia/Sweden Link:</i> A new GFTN-Indonesia participant is trading with IKEA in Sweden.</li><li>● <i>Vietnam/Malaysia link:</i> The Vietnam Forest State Enterprise is trading with a GFTN-Malaysia FSC certified plantation.</li><li>● <i>Hong Kong/Malaysia inquiry:</i> The Hong Kong Science Park Building sent a market inquiry to a GFTN-Malaysia participant for FSC-certified doors.</li><li>● <i>North America/Malaysia inquiry:</i> A GFTN-NA participant sent an inquiry for an Acacia product to GFTN-Malaysia.</li></ul>
--	---

## Annex 1: Annual Summary of Training

FY 2009 Education, Training and Outreach Activities – Number of Beneficiaries*			
	Total	Male	Female
<b>Degree training completed</b>			
PhD			
MS			
BS			
<b>Degree training in progress</b>			
PhD			
MS			
BS			
<b>Non-degree training</b>			
Professional training**	369	236	133
In-field training/workshops***	777	504	273
Conferences/other outreach****	12,719	8,881	3,838
<b>Total</b>	<b>13,785</b>	<b>9,561</b>	<b>4,219</b>
* Figures are approximate; actual numbers maybe higher. ** Professional training includes post doctoral studies, short courses, and technical workshops/conferences. *** In-field training/workshops include farmer field schools, community training, farmer field days, and other training that does not build on professional studies. ****Conferences and other outreach are those events and other communication vehicle that do not fall into the above categories.			

### Short description of conferences and other outreach:

Professional training:

- Purchasing/Specifying/Financing Responsibly produced/traded Forest Products Institutions strengthened: private sector (architects, designers, contractors and building owners); forest products companies, trade associations, NGOs and federal agencies. (369)

Accessing markets for responsible forest products:

Institutions strengthened: communities, local NGOs; private sector (forest management companies, primary processors, cooperatives). (12,719)

In-field training/workshops:

- Certification/Stepwise approach to improving forest management Institutions strengthened: local NGOs, governments, private sector (forest management companies, primary processors, and cooperatives), communities, and WWF field staff. (777)

**Annex 2: Annual Summary of Economic Indicators**

	<b>Economic Indicator***</b>			
	<b>Employees</b>		<b>Family Supported</b>	
	As of Year 7 End	Changes since Y6 End	As of Year 7 End	Changes since Y6 End
<b>Bolivia</b>	3,666	1,209	0	-350
<b>Brazil</b>	4,451	-757	10	10
<b>Costa Rica</b>	N/A	N/A	N/A	N/A
<b>Cameroon</b>	N/A	N/A	N/A	N/A
<b>CAR</b>	N/A	N/A	N/A	N/A
<b>China</b>	29,400	N/A	0	N/A
<b>DRC</b>	N/A	N/A	N/A	N/A
<b>Gabon</b>	N/A	N/A	N/A	N/A
<b>Rep Congo</b>	900	0	N/A	N/A
<b>Ghana</b>	19,500	9,650	42,250	37,325
<b>Indonesia</b>	25,806	8,193	0	0
<b>Malaysia</b>	3,218	-987	0	0
<b>Nicaragua</b>	N/A	N/A	N/A	N/A
<b>Panama</b>	N/A	N/A	N/A	N/A
<b>Peru</b>	340	-254	239	19
<b>Romania</b>	110	0	0	0
<b>Russia</b>	116,296	-320	0	0
<b>Vietnam</b>	22,320	13,070	100	0
<b>SFPGA Total</b>	<b>226,007</b>	<b>29,804</b>	<b>42,599</b>	<b>37,004</b>

**\*\*\*Economic indicator:**

Number of people with increased economic benefits derived from sustainable natural resources or biodiversity management.

**Measurement used:**

- 1) The number of people who are employed by the GFTN producer groups member companies
- 2) The number of families supported by the GFTN producer group member companies' operations

Note: The numbers are accumulative through the life of the project.

**With the following assumption:**

- a) Companies that GFTN work will benefit (through market links etc), therefore their employees benefit.

- b) Same for number of families supported by community operations. The communities that GFTN and GFTN companies work with benefit, therefore the families in those communities benefit as well.

**Progress for Year 7:**

As of the end of Year 7, GFTN participant companies in producer countries employed **226,077** people and support **42,559** families

**Annex 3: Annual Summary of Leverage by WWF**

Partner	Role of Partner	Leverage	
		Cash	In-kind
<i>Corporate</i>			
<i>Year 1-2</i>			
The Home Depot*	Global Alliance charter partner is supporting program activities financially and committed to working with their suppliers to develop sources of responsibly harvested wood products.	\$ 1,000,000	
Andersen Corporation*	Global Alliance partner is supporting program activities financially and committed to working with their suppliers to develop sources of responsibly harvested wood products.	\$ 100,000	
Catalyst Paper (formerly NorskeCanada)	Global Alliance partner is supporting program activities financially and committed to working with their suppliers to develop sources of responsibly harvested wood products and promoting these products in the global marketplace.	\$ 100,000	
Sveaskog	Swedish state-owned forest company is partnering with WWF-GFTN to broaden the market for certified products.	\$ 147,000	
Certified Wood and Paper Association (formerly CFPC Marketing Collaborative)	In-kind support—based on business contributions and dues—in the form of promotion of certified wood and paper products.		\$ 307,575
Various technical assistance providers	Provided in-kind support in the form of software and reductions of fees as a contribution.		\$ 8,819
Latin American forest companies in Nicaragua and Costa Rica (11)	Participated in the development and testing of tools to assess production capacity, technical assistance needs, and identify opportunities for growth in the domestic and international marketplace.		\$ 30,000
ERM Japan Ltd.	Contributed goods and services for Northeast Asia market assessment		\$ 14,000
PROMPEX – Peruvian institution for exports promotion	Supported participation of GFTN LAC Regional Coordinator at Negocia Madera 2004 trade show in Lima, Peru		\$ 1,131
Selloro	Panamanian hardwood flooring company supporting responsible forest management and trade with the indigenous communities of the Comarca Emberá / Wounaan in the Darien Ecoregion, Panama	\$ 25,000	
Local forest products trade associations	Using market benefits to promote sustainable economic development and forest conservation by small landowners, manufacturers and traders in the Dominican Republic	\$ 25,000	
<i>Year 3</i>			
IKEA	Investing in responsible forestry projects in China, Russia, the Carpathians, the Baltic states, and South East Asia.	\$ 6,100,000	
PFCA- Brazil Corporate Producer Group	Companies implementing responsible forest management and supporting operation of Brazil producer group in Belem	\$ 25,000	
TBM Hardwoods	North America FTN participant	\$ 15,000	

Sustainable Forest Products Global Alliance Year 7 Quarter 3/4 Report  
 April 1, 2009 – September 30, 2009

BlueLinx	North America FTN participant, establishing a responsible procurement program, with emphasis on sourcing sustainable tropical natural hardwood flooring from Indonesia	\$ 100,000	
<i>Year 4</i>			
Johnson & Johnson	Developing a responsible purchasing policy, North America FTN applicant	\$ 25,000	
Tetra Pak	Investing in the improved management of the world's forests through GFTN, developing a responsible purchasing policy and action plan	\$ 118,000	
Home Base	Development of tool to estimate the initial investment and ongoing running costs associated with achieving and maintaining the highest international levels of independent forest certification.	\$ 100,000	
World Flooring International	North America FTN participant, establishing a responsible procurement program, with emphasis on sourcing sustainable tropical natural hardwood flooring from Latin America	\$ 5,000	
<i>Year 5</i>			
Johnson & Johnson (Second Year)	North America FTN participant, establishing a responsible procurement program, with emphasis on paper and packaging for their medical devices and consumer care products	\$ 25,000	
Camara Forestal Boliviana	Initiating management, commercialization and lumber milling activities with the Embera-Wounaan Comarca Rio Tupiza Cooperative	\$ 100,000	
Cross Island Trading Company	North America FTN participant, establishing a responsible procurement program, with emphasis on sourcing sustainable tropical natural hardwood flooring from Asia	\$ 15,000	
Cryntel	North America FTN participant, working on establishing a responsible procurement program, with emphasis on sourcing sustainable tropical natural hardwood flooring from Indonesia	\$ 5,000	
<i>Year 6</i>			
GFTN Participants	GFTN Participants, membership fees to work on establishing a responsible procurement program.	\$ 742,000	
<i>Year 7</i>			
Tetra Pak	Investing in the improved management of the world's forests through GFTN, create a Forest for Life Partnership Programme, promote High Conservation Value concept	\$ 74,000	
GFTN-NA Participants	GFTN Participants, membership fees to work on establishing a responsible procurement program.	\$ 220,000	
<i>Private Foundation/NGO</i>			
<i>Year 1-2</i>			
WestWind Foundation	Supporting North American FTN activities	\$ 65,000	
Arthur Blank Family Foundation	Supporting North American FTN activities	\$ 100,000	

Sustainable Forest Products Global Alliance Year 7 Quarter 3/4 Report  
 April 1, 2009 – September 30, 2009

Forest Trends*	Programmatic support to the Global Alliance in the form of a global market assessment; strategic studies on critical issues to forest conservation and poverty alleviation; and dissemination of results.	\$ 4,000,000	
GreenWood/Madre Verde	Community based NGO working in Honduras developing conservation-based SME.	\$ 35,000	
<i>Year 3</i>			
Blue Moon Fund	Supporting GFTN in North America, Brazil, and China	\$ 50,000	
<i>Year 4</i>			
Citigroup Foundation	Building sustainable forest product supply chains in China, Indonesia, Malaysia, Vietnam, Brazil, Peru, Guatemala, Honduras, and Costa Rica	\$ 150,000	
Fundacion Natura (Panama)	Implement indigenous community forest management in the community of Marraganti	\$ 100,000	
<i>Year 5</i>			
Blue Moon Fund (Second Year)		\$ 150,000	
Citigroup Foundation (Second Year)	Building sustainable forest product supply chains in China, Indonesia, Malaysia, Vietnam, Brazil, Peru, Guatemala, Honduras, and Costa Rica	\$ 150,000	
Fundacion Natura	help the indigenous community of Marraganti prepare a management plan, annual harvesting plan and Environmental Impact Assessment of the 16,680 ha forest located in the Choco-Darien Ecoregion	\$ 100,000	
Citigroup Foundation (Third Year)	Supporting the GFTN Business Plan FY08-11 and building sustainable forest product supply chains in China, Indonesia, Malaysia, Vietnam, Brazil and Peru	\$ 150,000	
<i>Year 6</i>			
Citigroup Foundation (Fourth Year)	Building sustainable forest product supply chains in China, Indonesia, Malaysia, Vietnam, Brazil, Peru, Guatemala, Honduras, and Costa Rica	\$ 150,000	
IKEA	Improve Responsible Forestry Practices in Vietnam	\$ 36,500	
Homebase	Establish GFTN Operations in India	\$ 100,000	
<i>Year 7</i>			
Citigroup Foundation (Fifth Year)	Building sustainable forest product supply chains in China, Indonesia, Malaysia, Vietnam, Brazil, Peru, Guatemala, Honduras, and Costa Rica	\$ 75,000	
Credit Suisse	Promote the development and implementation of forest sector financing guidelines in South East Asia	\$ 42,000	
<i>Government</i>			
<i>Year 1-2</i>			
European Union/WWF Belgium	Sustainable Forest Management – Central Africa Project contributing to Producer Group development	\$ 1,300,000	

Sustainable Forest Products Global Alliance Year 7 Quarter 3/4 Report  
 April 1, 2009 – September 30, 2009

Netherlands Ministry of Foreign Affairs (DGIS)	Sustainable Forest Management Project in Democratic Republic of Congo contributing to Producer Group development.	\$ 1,100,000	
BMZ	Promoting technical partnerships in forest management in Congo Basin contributing to Producer Group development.	\$ 50,000	
Congo Basin Forest Partnership/FFEM	Jengi Project technical assistance in Cameroon contributing to Producer Group development.	\$ 225,000	
Government of Germany (DED; KfW, GTZ)	Using market benefits to promote sustainable economic development and forest conservation by small landowners, manufacturers and traders in the Dominican Republic (via PROCARYN project)	\$ 100,000	
International Finance Corporation (IFC)	Technical assistance to support responsible producers in Nicaragua	\$ 150,000	
<i>Year 3</i>			
European Union	Supporting GFTN in Africa and Asia	\$ 4,550,000	
UK Department for International Development	Supporting development of Forest & Trade Networks in Ghana and Brazil, and reducing poverty in priority ecoregions in LAC by building effective market linkages between indigenous community forest enterprises and manufacturers	\$ 1,200,000	
Government of Sweden	Vertical integration of responsible community and Small & Medium Enterprises (SME) Bolivian wood products sector.	\$ 325,000	
Government of Belgium	Vertical integration of responsible community and Small & Medium Enterprises (SME) Bolivian wood products sector.	\$ 80,000	
Government of Switzerland	Vertical integration of responsible community and Small & Medium Enterprises (SME) Bolivian wood products sector.	\$ 426,000	
DGIS (Netherlands)	Community business development, High Conservation Value Forest monitoring, improved forest policies and lessons learned	\$ 119,000	
World Bank/WWF Alliance	Building linkages between communities and manufacturers, implementing wood tracking mechanisms to reduce illegal logging, and developing mechanisms to access credit	\$ 110,000	
European Union/WWF Netherlands and WWF U.K.	Consolidation of forest landscapes protection and management in Choco-Darien Ecoregional Complex	\$ 2,660,953	
<i>Year 4</i>			
UK Department for International Development	Supporting development of functional Community Forest Management Enterprises with Indigenous Communities in Peru, Bolivia, Colombia, Panama and Nicaragua that reduce poverty by generating employment and earnings for communities, long-term and stable wood supply for manufacturers, and improved policy environment with Civil Society Organizations.	\$ 600,000	
IFC SME Facility	Strengthening of rural indigenous forest enterprises in Nicaragua	\$ 900,000	

Sustainable Forest Products Global Alliance Year 7 Quarter 3/4 Report  
 April 1, 2009 – September 30, 2009

IFC SME Facility	Establishment of linkages between indigenous community forest producers and Bolivian manufacturers.	\$ 700,000	
European Union	Strengthening Indigenous Community Based Forest Enterprises (CBFEs) in priority Ecoregions in Latin America, Asia-Pacific and Africa	\$ 4,460,000	
<i>Year 5</i>			
Panamanian government (SECYT)	Improving commercialization of products woven by Embera and Wounaan women of the Rio Tupiza Cooperative	\$ 26,000	
UK Department for International Development	Working with producers in China to demonstrate best practices in the responsible procurement of products containing wood or pulp from illegal logging hotspots.	\$ 745,000	
UK Department for International Development	Pilot Forest Governance Reforms to Facilitate Legal and Sustainable Forest Management in Ghana	\$ 220,000	
<i>Year 6</i>			
<i>State Secretariat for Economic Affairs SECO (Switzerland)</i>	Linking Trade Demand and Sustainable Forest Management in the Mekong Region (LTDSFM) - funding for Laos	\$ 100,000	
<i>Year 7</i>			
European Union	ASIA Switch - Sustainable and Responsible Trade Promoted to Wood Processing SMEs through Forest and Trade Networks in China, India and Vietnam	\$ 3,300,000	
UK Department for International Development	Supporting development of functional Community Forest Management Enterprises with Indigenous Communities in Peru, Bolivia, Colombia, Panama and Nicaragua that reduce poverty by generating employment and earnings for communities, long-term and stable wood supply for manufacturers, and improved policy environment with Civil Society Organizations.	\$ 106,000	
Swedish International Cooperation Agency (SIDA)	Supporting development of Responsible Forest Finance needs assessments, and strategy setting.	\$ 72,000	
<b>Leverage Total</b>		<b>\$ 38,144,453</b>	<b>\$ 361,525</b>
<i>WWF Core Fund</i>			
<i>Year 1-2</i>			
WWF-US Core Fund	FY03 (from member dues, individual donors, and other support)	\$ 22,386	
Core Fund from WWF Network	Support for the GFTN (FY03)	\$ 48,000	
<i>Year 3</i>			
WWF-US Core Fund	FY04 (from member dues, individual donors, and other support)	\$ 101,179	
Core Fund from WWF Network	Support for the GFTN (FY04)	\$ 48,000	
<i>Year 3</i>			
WWF-US Core Fund	FY05 (from member dues, individual donors, and other support)	\$ 111,830	

Sustainable Forest Products Global Alliance Year 7 Quarter 3/4 Report  
 April 1, 2009 – September 30, 2009

Core Fund from WWF Network	Support for the GFTN (between FY05)	\$ 48,000	
<i>Year 4</i>			
WWF-US Core Fund	FY06 (from member dues, individual donors, and other support)	\$ 122,433	
Core Fund from WWF Network	Support for the GFTN (between FY06)	\$ 48,000	
<i>Year 5</i>			
WWF-US Core Fund	FY07 (from member dues, individual donors, and other support)	\$ 80,231	
Core Fund from WWF Network	Support for the GFTN (between FY07)	\$ 48,000	
<i>Year 6</i>			
<i>WWF-US Core Fund</i>	FY08 (from member dues, individual donors, and other support)	\$ 143,774	
Core Fund from WWF Network	FY 08 Support for the GFTN (from member dues, individual donors, and other support)	\$ 447,000	
<i>Year 7</i>			
<i>WWF-US Core Fund</i>	FY09 (from member dues, individual donors, and other support)	\$ 248,601	
Core Fund from WWF Network	FY 09 Support for the GFTN (from member dues, individual donors, and other support)	\$ 158,000	
<b>WWF Core Fund Total</b>		<b>\$ 1,675,434</b>	<b>\$ -</b>
<b>Grand Total of Investment</b>			
		<b>\$ 39,819,887</b>	<b>\$ 361,525</b>

\*Note: Some funding is jointly raised with Metafore.

USG Investment		
Year 1 - WWF		\$1,375,000
Year 1 - Metafore		
Year 2 - WWF		\$900,000
Year 2 - Metafore		
Year 3 - WWF		\$1,100,000
Year 3 - Metafore		
Year 4 - WWF		\$1,195,000
Year 4 - Metafore		
Year 5 - WWF		\$834,000
Year 5 - Metafore		
Year 6 - WWF		\$1,100,000
Year 6 - Metafore		
Year 7 - WWF		\$650,000
	Total:	\$7,154,000