

Sustainable Forest Products Global Alliance

Year 4 Quarter 1 Report

Submitted by Metafore and World Wildlife Fund

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Sustainable Forest Products Global Alliance
Year 4 Quarter 1 Report
October 1, 2005 through December 31, 2005

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Sustainable Forest Products Global Alliance

Quarter 1 Report

October 1, 2005 through December 31, 2005

1. Introduction

The Sustainable Forest Products 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.

This report summarizes the accomplishments of the two non-governmental partners—WWF and Metafore—for the first quarter (October 1, 2005 through December 31, 2005) of the fourth funding year of the Global Alliance. During this period, WWF and Metafore made substantial progress towards accomplishing the expected achievements defined for the year.

2. Expected Achievements and Benchmarks

In November 2002, Global Alliance members and their partners adopted a Results Framework which outlined expected multi-year achievements and related first year benchmarks. During subsequent annual reviews, Global Alliance members have revised the multi-year achievements and drafted benchmarks. The following benchmarks designed for year four (October 1, 2005 through September 30, 2006) of the Global Alliance will be reviewed at the SFPGA retreat scheduled in February 2006.

Expected Achievement A: Enhanced demand for legally produced products from well-managed forests through implementation of responsible purchasing practices by businesses, government agencies, and other organizations.

Benchmarks:

- Expand number of businesses that are informed about their role as buyers of forest products.
- Foster an enabling/improved government policy environment that supports forest conservation.
- Increase number of businesses and governments implementing purchasing policies that prefer forest products from legal, well-managed forests.

Expected Achievement B: Increased supply of products legally produced from well-managed forests that generate social, economic, and ecological benefits through improved forest management.

Benchmarks:

- Provide technical assistance to build production capacity.
- Increase participation in producer groups.
- Increase the area of forest under written commitment to achieve responsible forest management.

Expected Achievement C: More 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.

Benchmarks:

- Increase market intelligence to improve access to markets.
- Increase informed interaction between buyers and producers.
- Increase market links (or trade relationships) between willing buyers and producers.
- Expand technical, policy, and market information availability via Web-based resources and other venues.

3. Global Highlights

- The number of forest participants¹ has grown from 35 to 41 companies and the forest area they manage has increased from 13.2m Ha to 14.3m Hectares in this quarter. The number of applicants, at various stages of the application process has grown from 51 companies to 90 companies managing 2.5m Ha. Early discussions are being held with another 95 companies managing 5m Ha (up from 65 companies). In this quarter the first forest participants have been recruited in Panama to Jagwood+, bringing to 11 the number of countries GFTN has forest participants.
- The number of trade participants² has fallen in this quarter from 373 to 246 companies. This mainly reflects changes to a number of European FTNs, with the most significant changes coming from the Netherlands. The Netherlands FTN (managed by FSC Netherlands) has radically restructured its membership requirements to align them with GFTN. This has resulted in nearly 100 companies leaving the Netherlands FTN and the membership numbers falling to 16. It is expected that this number will grow again. Most other European FTNs are currently stable in their membership, whilst most other FTNs outside Europe continue to grow, whilst only recruiting strategically chosen companies.
- GFTN Participants currently trade nearly 63 million cubic meters of round wood equivalent (RWE) per year, up from 40 million in the last report. They employ nearly 1.1 million people, approximately 1 million in the manufacturing and retail sectors and approximately 100,000 in the primary forest industries.
- GFTN has generated 230 enquiries from trade participants or applicants who wish to purchase more responsibly from forest participants in the network. To date 81 of these enquiries have become market links where the two organizations are now trading. These market links have an estimated value in excess of \$38.4 million USD. Of these market links, 56 of the trading relationships were already established, where GFTN is now working with both producer and

¹ Forest participant means a participant who is a forest owner or manager.

² Trade participant means a participant who is a processor, manufacturer, trader, specifier, or end-user of wood or paper products.

buyer. Twenty five of these market links are new trading relationships where the producer has found new markets within the GFTN membership.

- The remaining 150 enquiries remain open for current or future FTN participants. These enquiries have a value of in excess of \$174 million USD 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 FTNs are using to inspire new FTN membership.
- Metafore continued to raise awareness of responsible forest trade issues with notable media coverage through the *In Focus* newsletter. Targeting businesses that operate on a global scale, the *In Focus* newsletter highlights stories of success related to responsible business practices. Subscriptions for *In Focus* increased by approximately 200 new subscribers, bringing the total to nearly 3000 subscribers.

4. Regional Highlights

Consumer Countries

WWF North America Forest & Trade Network

- WWF has published a trade brief on forest products from Indonesia as a tool for educating U.S. buyers about their supply chains.
- WWF is working with a global brand-name healthcare products and services company to develop a responsible purchasing policy and program for their paper and packaging supply chain. The company has operations around the world. A well-known U.S. flooring company has also approached WWF for assistance through the North America FTN on responsible sourcing from China, Indonesia, and Latin America.
- WWF is currently engaging with five other wood and paper-buying companies, from across the supply chain, that are interested in the FTN. In addition, a number of companies have sought the counsel of FTN staff on responsible investment in the forestry industry.

GFTN Asia

WWF's activities in Japan and China are supported by matching funds.

- China FTN recently signed the first official participants, five companies from Mainland China and three from Hong Kong. The participants include two of China's largest state-owned forest bureaus - Jilin Province Baihe Forest Bureau and Heilongjiang Province Youhao Forest Bureau - which together operate 450,000 ha of certified natural forest on the Russian border as well as several subsidiaries with FSC chain of custody certification that make products ranging from ice cream sticks to doors; three major manufacturing companies based in mainland China - Yihua Timber, Shanghai Anxin Flooring Co. Ltd., and Yingbin (Shunde-Foshan) Timber Co. Ltd. - that make a range of hardwood and laminate flooring products; and three manufacturing and trading companies located in Hong Kong - Kingfisher Asia Ltd., 100% Concept Asia Pacific Ltd., and Auma International Ltd.

- Under the market pressure from Lowe's, Midas-Lin Co., Ltd has applied for membership of China FTN and is in progress of baseline appraisal with the assistance of China FTN to work out an action plan with more responsible procurement policy.
- Shanghai Anxin Flooring Co., Ltd, one of the eight Participants of the China FTN has made their first order of 11 containers of certified board (about 300 m3 RWE) for flooring production from Brazil, which may arrive in Shanghai in mid Jan 2006.
- The Japanese government is finalizing to take action to address the issue of imported forest products sourced from illegal logging. WWF supported the Task Group which was established by the Japanese Forestry Agency in last February to consider procedures and/or mechanisms to stop illegal logging and trade, together with government procurement polices.

Profession Development Program/ Lesser-known species strategies

- Metafore's year three intern, Richard Chavez, continued to interview tropical wood importers, manufacturers and retailers in the U.S. The purpose of these interviews was to identify the market forces and decision makers that make successful introductions of lesser-known species in the market place. Mr. Chavez began synthesizing this information for a summary document to be issued in May 2006.

Global Wood Advisor

- Metafore created and distributed the 4th edition of the Global Wood Advisor, a market newsletter targeted to producers of responsible forest products in USAID-funded market development initiatives in client countries. This newsletter was distributed to approximately 80 individuals representing USAID, WWF, GFTN, U.S. importers, trade associations and other individuals who work closely with the producers. These individuals have agreed to distribute the newsletter to their networks.

Forest Certification Resource Center

- The FCRC secured sponsorship commitments in the amount of \$25,000 to provide data portals for three Web sites during 2006. Metafore continued to develop these portals and provided updates to the FCRC.

Paper Working Group

- In October 2005, Metafore continued to modify the Environmental Paper Assessment Tool (EPAT) content and protocols while an application development firm continued to construct the EPAT web application. Metafore convened a meeting to present the EPAT prototype to the Paper Working Group and Early Adopter participants. Testing of the EPAT pilot with suppliers and buyers began in November. Data collecting began from stakeholders to be used for changes to the EPAT for public launch in May 2006. In December 2005, Wal-Mart became a participant of the Early Adopter Circle.

Forest Leadership Forum

- Metafore continued to develop content and secure speakers for the program's three primary themes, including three plenary sessions and approximately 24 breakout sessions related to the

plenary themes. Metafore secured sponsorship from several new stakeholders. New sponsors include Bank of America and Forest Products Association of Canada.

Latin America and the Caribbean

WWF Mesoamerica and Caribbean Forest & Trade Network: Jagwood+

Central America

- Selva Verde Lodge and Sarapiquí Conservation Learning Center has signed the Responsible Purchasing Policy (RPP) for consumers of wood products in Costa Rica. There are an additional 50 RPP signed in 2005 within Central America, mainly in Costa Rica and mainly with wood consumers.

Panama

- A training program was conducted with indigenous community members and the private sector on low-impact logging in the Embera-Wounaan Comarca to improve forest under management.

Bolivia

- RPPs are being prepared for Jolyka, United Furniture Industries, and Fundacion Anatina Toys. Also, the Bolivian National Standards organization IBNORCA is in process of developing national standards for controlling and monitoring legal wood flows, as well as improving the Panda Track, COC database management program for use by Bolivian firms that sign RPPs.
- The Bolivian Society of Architects, CRE (Rural Electrification Program) and Ultra-Tech Doors are in process of developing RPP.

Brazil

WWF's activities in Brazil are supported by matching funds.

- On December 15th, WWF-Brazil organized a meeting in Sao Paulo with the buyer group (GC), the community producer group (GPFC) and the private company producer group (PFCA), aiming to structure the functioning of all groups that deal with forest certification and responsible purchasing, bringing all groups to form a Forest and Trade Network branch in Brazil (FTN Brazil). The groups agreed to work together and with FSC Brasil and with WWF's GFTN.
- Grupo de Compradores de Produtos Florestais Certificados (Certified Forest Products Buyers Group), Produtores Florestais Certificados da Amazônia (Amazon Certified Forest Producers Group) and Grupo de Produtores Florestais Comunitários do Acre (Community Forest Producers Group) have discussed to understand their guidelines to approach the market (focus on specific industries, partnerships already developed etc), market information available on each organization, and the level of articulation with the market. The partners are also promoting the participation of these groups on II Certified Brazil. So far, Four market links were made among the buyers and the Community Producer Group including Laminados Triunfo, Madeireira Uliana, Aver Amazônia, and IIBA Produtos Florestais.

- WWF Brazil and Greenpeace's joint action along with the Acre State Government proposed a bill that will require the use of legally verified wood in public buildings and construction sites. The bill will be voted in the first quarter of 2006.

Nicaragua

- Stepwise approach and certification evaluations are completed for two companies in Nicaragua - SIPBAA (12,842 ha forest managed jointly by 6 Miskito Indigenous communities) and Kiwatigni (5,000 ha forest managed by 2 Miskito Indigenous communities).
- With WWF-World Bank Alliance counterpart funding, WWF finalized an analysis of the results (positive and negative) of the CEDEFOR financial mechanism, determined opportunities for utilizing the above experience in Bolivia, Peru and Nicaragua.

Peru

- We worked with Association for the Research and Integral Development (AIDER) technicians and private sector to improve use of low-impact portable sawmill technology for use with indigenous communities
- We have also finalized a video on Lesser Known Species, provided training to indigenous producers on low impact logging of LKS to reduce damages, grading and treatments, per the attached report)
- Stepwise approach and certification evaluations are completed for Consorcio Forestal Amazonico (200,000 ha of private forest concessions), Forestal Venao (77,403 ha owned by 2 indigenous communities), Rio Piedras / Maderera Bozovich (68,000 ha of private forest concessions), and MyM (96,000 ha of private forest concessions).
- At the request of INRENA, WWF Peru is modifying the wood-tracking tool (Panda Track) under development with counterpart funding from the WWF-World Bank funding to serve as the national database for the entire country to comply with CITES and buyer requirements.

Asia and the Near East

Activities in the Asia and Near East region are supported by USAID through the *Alliance to build market links to conserve Indonesia's forests* with technical assistance from the GFTN Secretariat (funded through the SFPGA).

WWF Malaysia Forest & Trade Network

- Inspiration Furniture Sdn. Bhd. (IFSB) signed a second Memorandum of Understanding (MoU) with WWF Malaysia in November, thereby committing to its continued participation in the Malaysia Forest and Trade network (MFTN). The signing of the MoU demonstrates the firm commitment of IFSB to supporting responsible purchasing of forest products and forest certification. The signing follows IFSB's recent participation in the SPOGA international furniture show in Germany, where the company received positive feedback from international furniture buyers for engaging with the MFTN.

WWF Indonesia Forest & Trade Network: Nusa Hijau

- WWF Indonesia and its local partner, PERSEPSI, signed an agreement to promote the Community Based Forest Management (CBFM) certification scheme and facilitate market links. According to the agreed collaborative plan, four teak-forest villages in Java, with a total forest area of 2751 hectares, will be certified by the end of 2006.
- PT Falak Jaya Furnitama, a garden furniture manufacturer in Tangerang (West Java, Indonesia), signed a Participation Agreement with WWF's Indonesia Forest & Trade Network (IFTN) at WWF's headquarter in Jakarta, thereby confirming the company's commitment to responsible purchasing of forest products and forest certification. PT Falak Jaya is now the second company that has qualified to join IFTN. The first was PT Bangun Sarana Wreksa, another furniture manufacturer in Indonesia.

Vietnam

Activities in Vietnam are supported through matching funds.

- WWF, in partnership with Vietnam's Ministry of Agriculture and Rural Development, launched the Vietnam Forest & Trade Network (VFTN) on October 3. The VFTN was launched with the support of the Vietnam Timber and Forest Products Association, which signed a Memorandum of Understanding with WWF to work closely with its members to eliminate illegal supplies of timber and support sourcing from well-managed forests. The Danish company Scancom, one of the largest suppliers of outdoor furniture in the world, has already committed to joining the VFTN and is supporting its contract manufacturers in Vietnam to follow suit. The initial focus of the network will be to work with forest managers to improve the quality of forest management to supply an ever-increasing demand for Vietnamese timber products. Vietnamese exports of wood products have tripled since the mid-1990s and the more than 1,200 timber processing companies require annually 2 million m³ of wood, which is mainly imported.
- The Toolkit for the identification of High Conservation Value Forests (HCVF) has been adapted for Vietnam. The toolkit was tested in two state forest enterprises (SFEs) in Gia Lai Province and it became apparent that additional training and capacity building was required for its full application.

Africa

WWF Central Africa Forest & Trade Network

- Two logging companies (TRC and PALLISCO-CIFM) upgraded to the status of official member of CA-FTN and respectively developed their action plans. They also signed with WWF-CARPO their respective individual conventions for Sustainable forest management and certification which gave them the status of CAFTN full member.
- The WWF Jengi Project conducted a preliminary appraisal aiming the preparation of SEFAC Group (applicant to CAFTN) to the certification pre-audit. This logging company covers about 400 000 hectares of forest and own two mills.
- One logging company (SFCS/TTS) covering 57,996 hectares applied for membership to CA-FTN. This logging company which own one mill operates in Southeast of Cameroon and should benefit technical support from WWF Jengi Project on behalf of CAFTN.
- One Timber trader (retailer) (Bexdan Standard) applied for CAFTN membership. This enterprise exports timber from community forests to Belgium. His buyer urged him to

participate to CA-FTN to ensure that the timber supplied to them is from sustainably managed forest or from legal source.

- Anxin Flooring Company (China FTN member) based in Shanghai, China expressed the interest purchase timber from logging companies operating in Central Africa who are committed to sustainable forest management and certification.
- Market link has been identified between one timber trader (Bexdan Standard) based in Douala, Cameroon and exporting timber to Belgium. Bexdan Standard also applied for a membership to the CAFTN.

Ghana Forest & Trade Network

- The two companies (Ghana Primewood and John Bitar Company Ltd.) completed initial drafts of their certification Action Plans. The Action Plans are currently being reviewed by the Producer Group management for finalization and adoption. Upon finalization and adoption of the Action Plans in January 2006, the two companies will formally be admitted as Ghana's Producer Group members.
- The Producer Group Ghana in collaboration with ProForest organized training workshop on Legality, Chain of Custody and responsible forest management and trade on 20th December 2005. The workshop was led by Proforest and discussed about the GFTN project aimed at strengthening the capacity of FTN members as well as local expert groups towards responsible timber production and trade in legal timber. In all, twenty-eight (28) people participated in the workshop. The workshop participants were from Industry, Forestry Commission, Social Forestry Experts and Environmental NGOs.

Europe and Eurasia

Russia Forest & Trade Network: Russian Association of Environmentally Responsible Timber Producers (RAERTP)

- New participation requirements and procedure for admitting to Russian Producer Group (PG) membership were adopted, so they are now in full compliance with the GFTN requirements. The new name of Russian PG – FTN Russia – Association of Environmentally Responsible Producers of Forest Products (short form – FTN Russia) – was also discussed and submitted to the participants for endorsement.
- Three new Forest Management/Chain-of-Custody certificates were issued to FTN Russia participants – IlimSibLes Ltd. (logging companies of Ilim Pulp Enterprise's Ust-Ilimsk Group), Toymales (Solombala Sawmill's logging company), Zalazninsky Lesocombinat. Hence the certified area of FTN Russia participants increased by 1 804 938 ha, reaching 3 463 138 ha, that is about 50% of the total certified area in Russia. Two new CoC certificates were issued to FTN Russia participants – VM-Invest and Sawmill No.25 that let them sell their forest products as certified to environmentally sensitive export markets. Three other FTN Russia participants – Ilim Pulp Enterprise (Bratsk Group), Swedwood-Tikhvin, and Siberian Silver Pine – Management are under certification now. Ilim Pulp Enterprise and Solombala Sawmill continue to prepare their mills for CoC certification. Solikamskumprom and Volga began preparing for certification as well.

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- A seminar on the topic of “Chain of Custody and Environmental Policy for Forest Enterprises” took place in Vladivostok, Russia Far East on 10 November. Participants included representatives from forest industry, the regional administration and Forest Department

Table 1

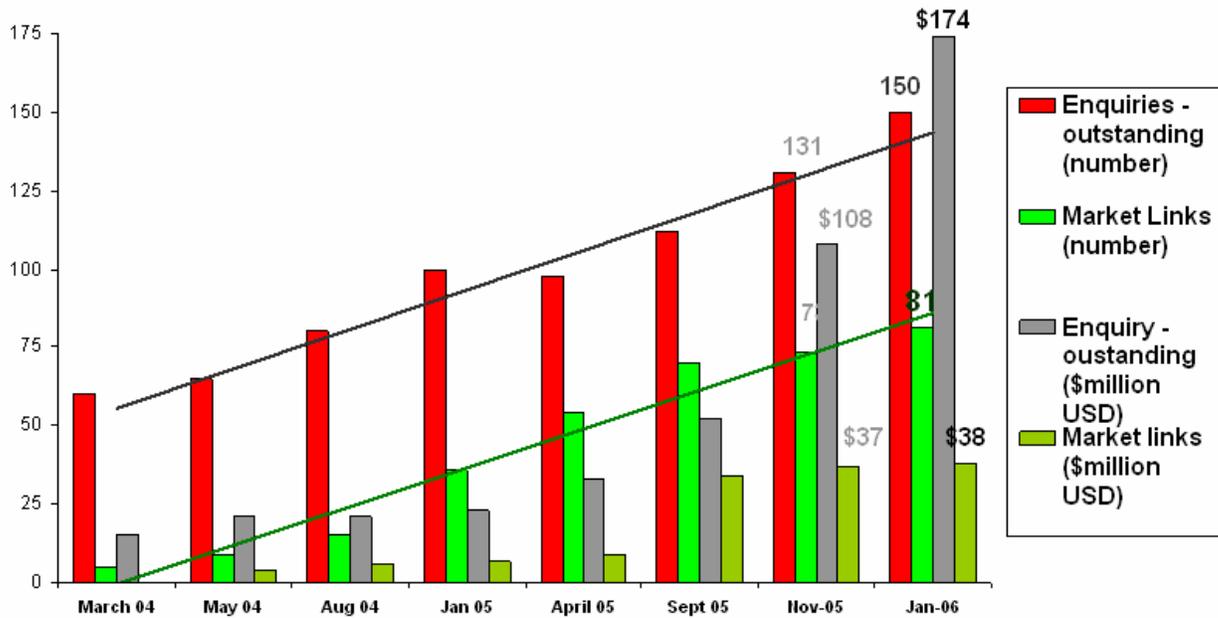
Data is as of January 2006 and may not reflect newly admitted members.

FTN	Number of companies	Status	Hectares	M3 Round wood equivalent	Number of companies	FSC Hectares
Australia WWF FTN	8	Potential Participant	263,536		8	263,536
Austria WWF Wood Group	9	Trade Participant			9	
Brasil FOE CPFC	2	Forest Participant	122,729		2	122,729
Brasil FOE CPFC	30	Suspended Trade Participant			30	
Brasil FOE CPFC	41	Trade Participant			41	8,647
Brasil PFCA	1	Application submitted	25,100	100,000	1	25,100
Brasil PFCA	9	Forest Participant	1,092,119	13,600	9	939,833
Brasil PFCA	1	Suspended Forest Participant	40,862	17,000	1	38,000
Brasil WWF Brasil	4	Application submitted	57,154	93,950	4	
Bulgaria WWF DCPO FTN	6	Application submitted	4,000	148,000	6	
CAFTN - Cameroon	5	Application submitted	486,996	134,000	5	0
CAFTN - Cameroon	2	Forest Participant	443,000	171,000	2	
CAFTN - Cameroon	4	Potential Participant	830,000		4	
CAFTN - DRC	1	Potential Participant			1	
CAFTN - Gabon	6	Potential Participant	1,050,000		6	
China WWF FTN	4	Application submitted		1,050,000	4	
China WWF FTN	2	Forest Participant	425,358	323,000	2	425,358
China WWF FTN	6	Trade Participant		80,000	6	
France WWF Club Proforêt	11	Trade Participant			11	
Germany WWF Wood Group	16	Trade Participant			16	
Ghana FOE FTN	5	Application submitted	109,981	60,000	5	
Ghana FOE FTN	3	Baseline appr. & Action plan completed	103,521	96,000	3	
Ghana FOE FTN	1	Forest Participant	159,000	120,000	1	
Ghana FOE FTN	4	Potential Participant			4	
Hong Kong EcoWood@sia	7	Trade Participant			7	
Indonesia WWF Nusa Hijau FTN	7	Application submitted	115,810	4,764	7	
Indonesia WWF Nusa Hijau FTN	12	Baseline appr. & Action plan completed	546,840	1,028,300	12	
Indonesia WWF Nusa Hijau FTN	2	Baseline appr. & Action plan in process		8,000	2	
Indonesia WWF Nusa Hijau FTN	12	Potential Participant	1,105,260	380,000	12	90,000
Indonesia WWF Nusa Hijau FTN	2	Trade Participant		7,250	2	
Italy WWF Club per il Legno Ecocertificato	17	FTN Suspended Operations			17	
Jagwood+ Belize	1	Potential Participant	105		1	105
Jagwood+ Costa Rica	2	Forest Participant	34,445		2	34,445
Jagwood+ Costa Rica	16	Potential Participant	44,048	134,055	16	44,048
Jagwood+ Costa Rica	1	Trade Participant		75,000	1	
Jagwood+ Guatemala	4	Potential Participant	72,895		4	68,017

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Jagwood+ Honduras	1	Forest Participant	7,970		1	7,970
Jagwood+ Honduras	2	Potential Participant	4,149		2	4,149
Jagwood+ Nicaragua	1	Baseline appr. & Action plan completed	5,000		1	
Jagwood+ Nicaragua	5	Baseline appr. & Action plan in process	23,632		5	
Jagwood+ Nicaragua	3	Forest Participant	13,227		3	13,227
Jagwood+ Nicaragua	1	Potential Participant	3,500		1	3,500
Jagwood+ Nicaragua	5	Trade Participant			5	
Jagwood+ Panama	3	Baseline appr. & Action plan in process			3	
Jagwood+ Panama	2	Forest Participant	3,025		2	3,025
Japan WWF Sanshoukai	27	Trade Participant	58,639	0	27	11,147
Malaysia FTN (MFTN)	1	Application submitted			1	
Malaysia FTN (MFTN)	1	Baseline appr. & Action plan completed		1,577	1	
Malaysia FTN (MFTN)	5	Baseline appr. & Action plan in process	226,260		5	
Malaysia FTN (MFTN)	2	Potential Participant	108,665		2	
Malaysia FTN (MFTN)	3	Trade Participant		202,500	3	
Netherlands FSC FTN	1	Other			1	
Netherlands FSC FTN	16	Trade Participant			16	
North American WWF FTN	1	Application submitted			1	
North American WWF FTN	2	Observer		15,000,000	2	
North American WWF FTN	20	Potential Participant		87,040,000	20	
North American WWF FTN	2	Trade Participant		666,000	2	
Peru WWF FTN	6	Potential Participant	182,000	3,000	6	
Philippines (Malaysia FTN)	6	Application submitted			6	
Romania WWF DCPO FTN	2	Application submitted		109,000	2	
Romania WWF DCPO FTN	5	Baseline appr. & Action plan in process	48,978	103,700	5	
Romania WWF DCPO FTN	1	Forest Participant	17,440	47,000	1	17,440
Romania WWF DCPO FTN	3	Potential Participant		256,000	3	
Romanian WWF DCPO FTN	2	Potential Participant	1,075,000		2	1,075,000
Russia FTN	7	Application submitted	834,000	1,080,000	7	800,000
Russia FTN	16	Forest Participant	12,147,000	18,146,305	16	1,707,000
Russia FTN	3	Potential Participant	249,000	3,600,000	3	49,000
Russia FTN	1	Trade Participant		30,000	1	
Spain WWF Grupo 2000	11	Trade Participant	1,027	707,740	11	
Sweden WWF FTN	13	Trade Participant		21,400,000	13	
Switzerland WWF Wood Group	24	Trade Participant			24	
UK WWF FTN	1	Suspended Trade Participant			1	
UK WWF FTN	51	Trade Participant		20,827,209	51	
Vietnam WWF FTN	4	Application submitted		220,800	4	

Table 2. Market Links Progress



5. Partnerships and Leverage

Existing Partnerships

An update on the confirmed partners and leverage is provided below. In addition to USAID’s investment of 9.6 million USD (through Year 4), WWF and Metafore have leveraged direct and indirect contributions of 28 million USD from a variety of partners, representing almost a 4:1 leverage ratio.

Table 2: Existing Partnerships and Leverage

Partner	Role of Partner	Leverage
<i>Corporate</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 cash support to WWF \$50,000 cash support to Metafore
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 cash \$100,000 in-kind
IKEA	Investing in responsible forestry projects in China, Russia, the Carpathians, the Baltic states, and South East Asia.	\$6,100,000 cash \$72,000 in-kind
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 cash
Norm Thompson Outfitters	Partner in Metafore’s Paper Working Group working to define environmentally preferable paper, develop tools for measuring and evaluating it, and take actions to increase its availability.	\$22,000 cash \$19,000 in-kind

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	Metafore also worked with NTO to construct a wood products Scorecard to be used by internal buyers.	
McDonald's Corp.	Partner in Metafore's Paper Working Group working to define environmentally preferable paper, develop tools for measuring and evaluating it, and take actions to increase its availability.	\$38,000 cash
Toyota Motor Sales USA, Inc.	Partner in Metafore's Paper Working Group working to define environmentally preferable paper, develop tools for measuring and evaluating it, and take actions to increase its availability.	\$35,400 cash
Time, Inc.	Partner in Metafore's Paper Working Group working to define environmentally preferable paper, develop tools for measuring and evaluating it, and take actions to increase its availability.	\$55,400 cash \$450,000 in-kind
Hewlett-Packard Co.	Partner in Metafore's Paper Working Group working to define environmentally preferable paper, develop tools for measuring and evaluating it, and take actions to increase its availability.	\$50,400 cash \$380,000 in-kind
Nike, Inc.	Partner in Metafore's Paper Working Group working to define environmentally preferable paper, develop tools for measuring and evaluating it, and take actions to increase its availability.	\$48,000 cash \$195,000 in-kind
Starbucks Coffee Company	Partner in Metafore's Paper Working Group working to define environmentally preferable paper, develop tools for measuring and evaluating it, and take actions to increase its availability.	\$50,000 cash \$60,000 in-kind
FedEx Kinko's, Inc.	Partner in Metafore's Paper Working Group working to define environmentally preferable paper, develop tools for measuring and evaluating it, and take actions to increase its availability.	\$27,900 cash \$70,000 in-kind
Bank of America	Partner in Metafore's Paper Working Group working to define environmentally preferable paper, develop tools for measuring and evaluating it, and take actions to increase its availability.	\$40,000 cash
Staples, Inc.	Partner in Metafore's Paper Working Group working to define environmentally preferable paper, develop tools for measuring and evaluating it, and take actions to increase its availability.	\$53,400 cash \$205,000 in-kind
Cenveo (formerly Mail-Well)	Partner in Metafore's Paper Working Group working to define environmentally preferable paper, develop tools for measuring and evaluating it, and take actions to increase its availability.	\$30,400 cash
Quad Graphics	EPAT early adopter circle	\$10,000 cash \$10,000 in-kind
L.L. Bean	EPAT early adopter circle	\$10,000 cash \$10,000 in-kind
JC Penney Co., Inc.	EPAT early adopter circle	\$10,000 cash \$10,000 in-kind
REI	EPAT early adopter circle	\$10,000 cash \$10,000 in-kind
Hearst Enterprises	EPAT early adopter circle	\$10,000 cash \$10,000 in-kind
Office Depot	EPAT early adopter circle	\$10,000 cash \$10,000 in-kind
RR Donnelley & Sons	EPAT early adopter circle	\$10,000 cash

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Company		\$10,000 in-kind
Quebecor, Inc	EPAT early adopter circle	\$10,000 cash \$10,000 in-kind
Fedex Express	EPAT early adopter circle	\$10,000 cash \$10,000 in-kind
Sveaskog	Swedish state-owned forest company is partnering with WWF-GFTN to broaden the market for certified products.	\$147,000 cash
Forest Products Association of Canada	Provided cash contribution in support of Metafore's Certification Resource Center, and in-kind support to facilitate dialogue between forest products industry and business Buyers regarding the production of environmentally preferable paper.	\$17,000 cash \$25,891 in-kind (\$CDN35,000)
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 in-kind
Various technical assistance providers	Provided in-kind support in the form of software and reductions of fees as a contribution.	\$8,819 in-kind
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 in-kind (provided to Jagwood+)
ERM Japan Ltd.	Contributed goods and services for Northeast Asia market assessment	\$14,000 in-kind
PROMPEX – Peruvian institution for exports promotion	Supported participation of GFTN LAC Regional Coordinator at Negocia Madera 2004 trade show in Lima, Peru	\$1,131 in-kind
Lippencott Mercer	Provided in-kind support to Metafore in the form of services.	\$70,000 in-kind
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
Newly recruited participants of Forest & Trade Networks in LAC, Russia, Africa	As new participants are recruited to FTNs they contribute membership fees and invest in action plans to promote responsible forestry	Significant but as yet not quantified parallel investments and some direct investments
PFCA- Brazil Corporate Producer Group	Companies implementing responsible forest management and supporting operation of Brazil producer group in Belem	\$25,000
Weyerhaeuser	Forest Leadership Forum sponsor	\$25,000 cash
International Paper	Forest Leadership Forum sponsor	\$7,500 cash
Lanoga	Forest Leadership Forum sponsor	\$10,000 cash

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TBM Hardwoods	North America FTN participant	\$15,000 cash
BlueLinX	North America FTN participant	\$100,000 cash
<i>Private Foundation/NGO</i>		
WestWind Foundation	Supporting North American FTN activities	\$65,000 cash
Arthur Blank Family Foundation	Supporting North American FTN activities	\$100,000 cash
Blue Moon Fund	Supporting GFTN in North America, Brazil, and China	\$200,000 cash
Rockefeller Brothers Fund	Grant to Metafore to develop market for certified forest products.	\$200,000 cash
Ford Foundation	Grant to Metafore to improve forestry practices around the world through promoting and facilitating the increased purchase, use and sale of third-party certified forest products.	\$300,000 cash
Surdna Foundation	Contribution to Metafore to support development of collaborative for marketing certified forest products.	\$225,000 cash
MacArthur Foundation	General support to Metafore.	\$33,000 cash
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 public and private donations
GreenWood/Madre Verde	Community based NGO working in Honduras developing conservation-based SME.	\$35,000 cash
<i>Government</i>		
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 cash
European Union/WWF Belgium	Sustainable Forest Management – Central Africa Project contributing to Producer Group development	\$1,300,000 in parallel investment
Netherlands Ministry of Foreign Affairs (DGIS)	Sustainable Forest Management Project in Democratic Republic of Congo contributing to Producer Group development.	\$1,100,000 in parallel investment
BMZ	Promoting technical partnerships in forest management in Congo Basin contributing to Producer Group development.	\$50,000 in parallel investment
Congo Basin Forest Partnership/FFEM	Jengi Project technical assistance in Cameroon contributing to Producer Group development.	\$225,000 in parallel investment
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
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

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International Finance Corporation (IFC)	Technical assistance to support responsible producers in Nicaragua	\$150,000
European Union	Supporting FTNs in Africa and Asia	\$4,550,000 cash
DGIS (Netherlands)	Community business development, High Conservation Value Forest monitoring, improved forest policies and lessons learned	\$119,000 cash
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 cash
European Union/WWF Netherlands and WWF U.K.	Consolidation of forest landscapes protection and management in Choco-Darien Ecoregional Complex	\$2,660,953 cash
TOTAL*		\$27,939,769

*Note: In addition to the funds leveraged through the partners detailed in the table above, WWF has invested **\$679,000** of its own core funds (from member dues, individual donors, and other support) to the effort.
 plus

Table 3: New Partnerships and Leverage

Partner	Role of Partner	Leverage
Citigroup Foundation	Building sustainable forest product supply chains in China, Indonesia, Malaysia, Vietnam, Brazil, Peru, Guatemala, Honduras, and Costa Rica	\$150,000 cash
Tetra Pak	Investing in the improved management of the world's forests through GFTN, developing a responsible purchasing policy and action plan	\$118,000 cash
Johnson & Johnson	Developing a responsible purchasing policy, North America FTN applicant	\$25,000 cash
Forest Products Association of Canada (FPAC)	Forest Leadership Forum sponsor	\$75,000 cash
Bank of America	Forest Leadership Forum sponsor	\$50,000 cash
TOTAL		\$418,000

Annex 1: Activities Table – October 1, 2005 – December 31, 2005

Activity	Responsible	Status	Metric					
			policy successes	tools	tech asst. person-days	persons trained	partners	hectares
A. Enhanced demand for legal products from well-managed forests								
<i>A-1 Expand number of businesses that are informed about their role as buyers of forest products</i>								
Business Action Toolkit	Metafore	On-track						
Business Case Studies	Metafore	Completed	3					
Book on the business rationale	Metafore	On-track						
LKS awareness and demand	Metafore	On-track						
<i>In Focus</i> business news	Metafore	On-track		12		200		
<i>A-2 Foster an enabling/improved government policy environment that supports forest conservation</i>								
Dialogue with national and local governments	USAID							
<i>A-3 Increase number of businesses and governments implementing purchasing policies that prefer forest products from legal, well-managed forests.</i>								
Corporate outreach	Metafore	On-track						
Corporate outreach (RPG and KIL)	WWF							
- Seminar in Fukushima, Japan					1	150		
- Global Environmental Forum (WWF/Greenpeace/FoE)					1	25		
NA-FTN	WWF		1				2	
Europe: linking to producers	WWF							
LAC: enhancing regional demand	WWF							
- Central America Buyers								
Japan paper buyers	WWF		1					
China FTN	WWF						6	
GFTN responsible purchasing tools	WWF							
EPAT	Metafore	On-track		1		10		
Policy advocacy with local governments	WWF		3					
B. Increased supply of legal products from well-managed forests								
<i>B-1 Provide technical assistance to build production capacity.</i>								
Certification/stepwise approaches to improving forest management	WWF							
LKS supply chain development	WWF			1				
Responsible forest investment	WWF							
<i>B-2 Increase participation in producer groups</i>								
Indonesia	WWF						1	
Malaysia	WWF							
Vietnam	WWF			1				
Russia	WWF						3	
Ghana	WWF						1	
Central Africa	WWF						2	

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Activity	Responsible	Status	Metric						
			policy successes	tools	tech asst. person-days	persons trained	partners	hectares	market links
Mesoamerica and Caribbean	WWF		7						
Brazil	WWF								
Bolivia	WWF								
Peru	WWF								
China	WWF						2		
<i>B-3 Increase area of forest under written commitment to achieve responsible forest management.</i>									
Indonesia	WWF							184,206	
Malaysia	WWF								
Vietnam	WWF			1					
Russia	WWF								
Ghana	WWF								
Central Africa	WWF								
Mesoamerica and Caribbean	WWF		7						
Brazil	WWF								
Bolivia	WWF								
Peru	WWF								
China	WWF							425,358	
C. More efficient trade of legal products from well-managed forests									
<i>C-1 Increase market intelligence to improve access to markets.</i>									
GFTN market data	WWF								
International producer seminars	Metafore								
Global Wood Advisor	Metafore	On-track		1		80			
<i>C-2 Increase informed interaction between buyers and producers.</i>									
GFTN international coordination	WWF								
- EMG meeting, Beijing						15			
- GFTN Study trip to Indonesia					1	35			
- Japanese delegation to Indonesia						5			
- GFTN Europe Mission to Finland						30			
- FTN Russia's study tour to Belgium and Netherlands						30			
Training Workshop in Ghana (WWF/FoE)						28			
Forest Leadership Forum 2006	Metafore	On-track							
International professional development	Metafore	On-track							
<i>C-3 Increase market links (or trade relationships) between willing buyers and producers.</i>									
Market links	WWF								11
<i>C-3 Expand technical, policy, and market information availability via Web-based resources and other venues.</i>									
Forest Certification Resource Center	Metafore	On-track							
Year 4			23	15	3	608	27	1,135,334	11
Year 3			41	69	17	2939	53	657,844	42
Year 2			24	98	274	1387	555	12,691,203	28

Year 1	16	9	7	1221	46	1809232	0
Grand Total (Years 1 – 4 Cumulative)	104	191	301	6155	672	16293613	81
Metric							
policy	tools	tech. asst. person-days	# trained	partners	hectares	market links	

Annex 2: Alliance Chronicles



Better Business, Brighter Future for Peru’s Shipibo-Konibo People

Working with WWF’s Global Forest & Trade Network to achieve certification has brought dear benefits to indigenous communities

by Julia Cass for WWF

The indigenous Shipibo-Konibo communities live along the Ucayali River in the Peruvian Amazon. Traditionally, their subsistence economy has relied on fishing, hunting, and cultivating corn, beans, yucca and plantains. Up until recently, their livelihoods have been precarious – a poor year for crops or fishing meant they went hungry – and their young people were leaving to find work in cities. Illegal loggers would pay them 20 soles (about US\$6) for every tree they cut down on their land, contributing to the decline of mahogany in Peru. Now, by working with WWF’s Global Forest & Trade Network (GFTN) and other organizations, the Shipibo-Konibo have achieved a more stable standard of living and reconnected with traditional values.

In 2000, the Peruvian NGO AIDER received funding from the Royal Embassy of the Netherlands to help the Shipibo-Konibo start an economic development programme. “We focused on forest management from the start because we saw that commercializing the forests would be the best means of economic development in these communities,” said Jaime Nalvarte, AIDER’s president.

The project started by providing training in tree species identification and low impact methods of extraction. AIDER also bought logging equipment for the communities with the more valuable forests, and small barges to take the wood to the port town of Pucallpa. Those individuals who showed the most interest were trained as “técnicos indígenas” in skills such as record-keeping, accounting, pricing, marketing and negotiating.

At first, the Shipibo-Konibo were suspicious of AIDER's motives. "In one community we visited to explain the proposed project, the leaders said they wouldn't meet with us unless we paid them," said Pio Santiago, an AIDER forester. "Almost all of their interactions with outsiders had involved either exploitation or paternalism. They had never been equals." The breakthrough for the Shipibo-Konibo came three years after the project started, when they shipped timber to Pucallpa and were paid for it. "Many people have to see to believe," Nalvarte said. "When a tree brought 1,000 soles instead of 20, this wasn't a discourse or talking pretty or putting up signs. This was business."

WWF joined the project in 2003 when it became clear that FSC certification could bring multiple benefits to the Shipibo-Konibo communities. The certification process provided a good structure for responsible forest management, set apart these forests from others, and enabled the communities to get help from WWF's GFTN to find new markets for their wood. Following many meetings, five communities decided to seek certification and WWF-Peru, with financing from USAID, provided technical assistance for the certification process.

"These kinds of projects are complex, but what's the alternative?" said Steve Gretzinger, WWF GFTN coordinator for Latin America & the Caribbean. "Poverty and illegal logging are even more costly."

Today these five communities manage their own forests, harvest the trees and market the timber. In a considerable achievement for a people with no previous business or forestry management experience, they expect to receive certification this year for 35,000 hectares of their rainforest. This will be the first FSC-certified forest in Peru and now hardwoods from these indigenous communities are beginning to make their way to international markets.

In 2004, the communities sold 45,000 board feet of timber, worth approximately \$13,200. Part of the profit, after paying salaries, transportation and supplies, goes to community projects and the remainder is reinvested in the business. Since the local people have seen the employment and income opportunities from sustainable forestry, they have set up a vigilance committee to keep illegal loggers away. And the young people are no longer leaving in such numbers. Indeed, young people from the five communities participated in a series of forest management workshops in November and ended up creating an organization of indigenous young people to help sustain both their forests and their culture.