

Sustainable Forest Products Global Alliance

Project period October 1, 2007 – March 30, 2008

Year 6 Quarter 1/2 Report

Submitted by World Wildlife Fund

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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. 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.

In over five 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 first half (October 1, 2007 through March 30, 2008) of the sixth 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 first half of the Year Six.

- The number of trade participants¹ in the Global Forest & Trade Network (GFTN) has also increased in this year from 287 to **317** companies. These companies currently trade **248** million cubic meters of round wood equivalent (RWE) per year (approximately 14% of the global harvest of industrial round wood based on FAO estimates in 2005), which represents nearly **\$58** billion in forest product sales per year. At the end of Year Six Quarter Two, there are 41 trade participants on suspension due to their lack of progress against their action plans.
- The number of forest participants² in the GFTN has been steady at **78** companies managing over **27** million hectares of forests, of which **13.5** million hectares are now

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

² Forest participant means a participant who is a forest owner or manager.

under effective management. At the end of Year Six Quarter Two, there is one forest participant on suspension.

- In addition, a total of **104** applicants are at various stages of application process. Those applicants manage additional **10.2** million hectares of forests, trade approximately **\$5** billion of forest products per year.
- As of the end of Year Six Quarter Two, GFTN has generated **406** enquiries from trade participants or applicants who wish to purchase more responsibly from forest participants in the network. To date **174** of these enquiries have become market links where the two organizations are now trading. These market links have an estimated value of **\$78 million**. The remaining 232 enquiries remain open for current or future Forest & Trade Network (FTN) participants. These enquiries have a value of in excess of \$315 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 FTNs are using to inspire new FTN membership.
- GFTN estimates approximately **2.7 million** employees and **670 community families** are currently benefiting from the GFTN participating companies. (See Figure 3b: Economic Indicator Table).
- During the first half of the Year Six, GFTN has trained **354** 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, **21,100** 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.
- GFTN has provided in-field training workshop for **490** people from private sector (forest management companies, primary processors, and cooperatives), communities, local governments, local NGOs and WWF field offices during the first half of Year Six.
- During this reporting period, GFTN has launched its first ever Shareholders Group as a governing body together with its new global strategies for the next four years. This new governing body consisted of key WWF offices will not only give the GFTN more leverage as a global programme, but also help ensure the success of our mission and goals with full alignment of the program around the world. For WWF to transform the global market place into a force for saving the world's valuable and threaten forests through the GFTN, its strategies needed to be adjusted with changing trends in the forests product industry as well as in the larger WWF organization. This re-launch of new GFTN originally started with the program evaluation conducted at the end of 2006 and an organizational assessment (hosted by IMD Business School in Switzerland) in January 2007 where representatives of major stakeholders (USAID, DFID, SCA, TetraPak, IKEA, TimbMet, CitiGroup, YingBin Nature Wood Industries). Today, after many consultations with local, regional and international stakeholders, the new GFTN business plan and governance structure (now known as the Shareholders Group) are in the implementation phase. Some of the key internal tools are developed: Performance Monitoring Index for FTN managers to ensure the alignment of GFTN operation throughout the world and Criteria for selecting a strategic companies to work with in

order to ensure the maximum impact of global program and efficiency of the available resources. GFTN has also revised its participations rules which define the basic requirements for companies to join the program.

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

Table 1 – Activity Status for SFPGA Year 5

Objective 1	Enhance demand for legally produced products from well-managed forests through the implementation of responsible purchasing practices by global businesses and other organizations.	Baseline (as of the beginning of Year 6)	Progress as of this reporting period
<p>LOP Results and Targets</p> <ul style="list-style-type: none"> 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) By 2011, the absolute volume of credibly certified products³ traded by GFTN participants increases to 200 million m³, 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 m³ increase annually from Year 6 through 9) 		<ul style="list-style-type: none"> 12.3% (value) 11.1% (volume) 31 million m³ 	<ul style="list-style-type: none"> 15.27% (value) 13.81% (volume) 58 million m³
Activity 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 implementing purchasing policies aimed at phasing out products from Unwanted sources using the stepwise approach.		
Activity 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)		
Objective 2	Increase supply of products legally produced from well-managed forests that generate social, economic, and ecological benefits through improved forest management.	Baseline (as of the beginning of Year 6)	Progress as of this reporting period
<p>LOP Results and Targets:</p> <ul style="list-style-type: none"> 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). 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). 		<ul style="list-style-type: none"> 25.5 mil. ha. 12.7 mil. ha. 	<ul style="list-style-type: none"> 27 mil. ha. 13.5 mil. ha.

³ This is the best estimate based on the UNECE 2007 Forest Products Market Review, which states that there are 370 million m³ of certified wood sold and that 30% of this is by FSC. Therefore, there is estimated 111 million m³ credibly certified wood on the market.

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Activity 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.		
Activity 2.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 participants on average, GFTN expect at least 450 people will be trained annually)		
Objective 3	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.	Baseline (as of the beginning of Year 6)	Progress as of this reporting period
LOP Results and Targets:			
<ul style="list-style-type: none"> Increase outreach of market information to corporate and business audience to influence business practices. By 2011, increase the number of market links (trade relationships) and economic value made among the GFTN participants to 300 market links (or \$150 million). (Aiming at least 35 market links or \$19 million increase annually from Year 6 through 9). 		<ul style="list-style-type: none"> 160 market links (or \$74 million). 	<ul style="list-style-type: none"> 174 market links (or \$78 million).
Activity 3.a.	Extend technical, policy, and market information availability via Web-based resources and other venues.		
Activity 3.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 Six Accomplishments – October 1, 2007 through March 30, 2008

Objective 1 - Enhance demand for legally produced products from well-managed forests through implementation of responsible purchasing practices by global businesses and other organizations.	
Activity	Major Accomplishments
<p>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 implementing purchasing policies aimed at phasing out products from Unwanted sources using the stepwise approach.</p>	<p><i>Progress on LOP Results and Targets:</i></p> <ul style="list-style-type: none"> • The share of the value of globally traded forest products traded by GFTN participants increased to 15.27% • The share of the volume of globally traded forest products traded by GFTN participants increased to 13.81% • The absolute volume of credibly certified products⁴ traded by GFTN participants increased to nearly 58 million m³, and the % of credibly certified products over total volume of forest products traded by GFTN participants shows continued growth to 44%. <p><i>Global Highlights</i></p> <ul style="list-style-type: none"> • The number of trade participants⁵ in the Global Forest & Trade Network (GFTN) has also increased in this year from 287 to 317 companies. These companies currently trade 248 million cubic meters of round wood equivalent (RWE) per year (approximately 14% of the global harvest of industrial round wood based on FAO estimates in 2005), which represents nearly \$58 billion in forest product sales per year. At the end of Year Six Quarter Two, there are 41 trade participants on suspension due to their lack of progress against their action plans. <p><i>North America</i></p> <ul style="list-style-type: none"> • During the first half of the Year Six, GFTN North America (GFTN-NA) welcomed two new participants - Procter & Gamble and Domtar Corporation. Procter & Gamble initially works with the GFTN-NA on its Family Care business which includes the Bounty, Charmin, and Puffs brands with plans to expand to other areas later. Domtar Corporation, a Canadian-based papers company, is working with WWF to pursue Forest Stewardship Council certification for all Domtar-managed forest land in Canada, identify important areas for protection on Domtar-managed lands and promote FSC-certified environmentally responsible papers, such as the company's EarthChoice line.

⁴ This is the best estimate based on the UNECE 2007 Forest Products Market Review, which states that there are 370 million m³ of certified wood sold and that 30% of this is by FSC. Therefore, there is estimated 111 million m³ credibly certified wood on the market.

⁵ Trade participant means a participant who is a processor, manufacturer, trader, specifier, or end-user of wood or paper products.

- GFTN-NA has supported its participants on their action plan implementation:
 - Together with GFTN-China, supported Cross Island Trading Company (an GFTN-NA participant) in evaluating and monitoring the company's factories in China in order to ensure better traceability in their supply chain to manage associated risks.
 - Supported BlueLinx's forestry survey which sent out to all their suppliers, and the development of supply chain database in which the forestry survey results will be entered. BlueLinx has 9 COC facilities, GFTN-NA is currently assisting on achieving COC for 4 more facilities.
 - Assisted Johnson & Johnson to increase their use of recycled and/or certified paper and paper based packaging to 62% for office paper, 67% for packaging.

Europe

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

- GFTN-UK participant Bovis Lend Lease UK (BLL) has become the UK's first major construction contractor to achieve the FSC Chain of Custody (CoC) certification as it continues to lead the industry in sustainable practice. Following BLL's successful delivery in 2007 of the world's first FSC certified commercial property – at One Wood Street, London EC2 – the construction company has now achieved the FSC Chain of Custody certification for its corporate procedure, which is being rolled out across the business. Based on the model used at One Wood Street, BLL is implementing FSC Chain of Custody through the business, its contractors and supply chain. BLL is training employees and contractors in the procurement and use of FSC timber, while also working with suppliers to help them meet FSC requirements for BLL's supply chain accreditation.

Asia Pacific

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

- *New Participant in Australia:* In February 2008, the GFTN-Australia welcomed its 8th participant, Australian Paper to their growing network. Australian Paper is the largest office paper supplier to the Australian market with packaging and office paper sales volumes of almost 1 million tons per year. Australian Paper owns and operates four mills in Australia. In 2006, two of Australian Paper's mills, Maryvale Mill and Shoalhaven Mill, achieved FSC Chain of Custody certification, paving the way for the Reflex brand of copy paper to bear the FSC logo. Reflex is the main office paper sold in Australia. GFTN- Australia supported Australian Paper in achieving FSC Chain of Custody certification and will work with the company to encourage their suppliers to secure credible certification. Over 50% of the feedstock for Maryvale Mill comes from FSC certified plantations.
- *New Participants in Vietnam:* In February, the GFTN-Vietnam officially announced two new members – Nestco Ltd, a timber trading company with an annual wood turnover of 5 million USD, and the Tran Duc Group, a wood-processing manufacturer with an annual wood turnover of 35 million USD exporting mainly to Europe, US and Australia.

- *Seven New Participants in China:* Seven new Trade Participants were recruited to China FTN within this quarter. The plywood mills have existing market links to US and European traders and some are already trading with GFTN Participants. The plywood mills are sourcing from China, Russia, Indonesia and Latin America. The wooden blind companies primarily source from Latin America, Russia and North East China and have existing strong trading links with other FTN Participants in Europe and North America. They have been strongly pushed by their main customers to join the China FTN. The Hong Kong company has been selected to boost activities in the SAR and to supply stronger links to the Architectural Services Department responsible for public procurement. In volume terms the company is small but the company is well connected with a number of Hong Kong Government Departments and the management has proven extremely helpful in opening doors to the Architectural Services Department in particular who specifies all building materials used within government projects in Hong Kong SAR. The bamboo company processes very small quantities of wood and uses mainly bamboo from Anhui Province in China. This province is a key one for bamboo production and bamboo is becoming a major commercial species. The bamboo forests of Anhui and surrounding provinces are a conservation priority for WWF China. The bamboo company is one of the largest in China and virtually all of its production is for export. As a major purchaser of bamboo the company has strong relationships with state forest bureaus within the province and is committed to working with them to ensure forest certification takes place. 100% of the outdoor furniture company's products are to overseas markets, which mainly include America, Australia, and France. Its head office in Indonesia has been the member of GFTN and has achieved chain of custody certification.
- *New trade participants in Indonesia:* Two trade participants joined Indonesia-FTN in this period: PT. Kayu Lapis Asli Murni (Kalamur) and CV. Antex. PT. Kalamur is a plywood and fancy floor products manufacturer situated in East Kalimantan and exporting mainly to US and European market. Plywood and fancy floor represent 54% and 42% respectively of Kalamur's business, with combined annual sales of roughly US\$32 million. CV. Antex is a small scale furniture manufacturer located in Jepara (Central Java). Both companies are improving environmental status of their raw materials and developing their in-house chain of custody system. In addition, three additional companies (Indo Bagus Slat, Jaya Raya Trasindo and Mandhara Industries) have submitted application to join GFTN-Indonesia as trade participants. Indo Bagus Slat is a major supplier to Faber-Castell Germany.
- *New trade participant in Malaysia:* GFTN-Malaysia welcomed a new trade participant, McCorry Group of Companies on 13th December. It is an international trading group that trades an approximately 37 million USD in hardwood solid wood and panel products. The company's headquarter is based in Sabah while there are trading offices in US, Mexico, Hong Kong and Guyana. In addition, GFTN-Malaysia is working with two new applicants including Advance Agro Public Company Limited (Double A) a Pulp and paper manufacturer based in Thailand with annual sales of USD689 million, BKB Hevea SB, an engineered flooring manufacturer.
- *New GFTN Development in India:* GFTN-UK participant Homebase has donated £ 50,000 to help establish a new GFTN operation in India. The development of GFTN-India will enable GFTN to ensure the promotion of responsible trade in

forest products particularly timber, wooden handicrafts, paper and pulp in India where it holds a pivotal position in the global forest products trade with growing potential to influence forest management in a very wide range of globally significant forest countries. India also contains some key forest eco-regions of its own and this combination drives the need for India to have a Forest & Trade Network working with both Forest and Trade participants in a wide range of sectors. The FTN is planned to be launched at the end of 2008 calendar year.

Latin America and Caribbean

- From February 11 – 14, 2008, the Global Forest & Trade Network (GFTN) convened a Latin America and Caribbean regional meeting in Panama City, Panama to discuss strategic issues related to the new GFTN Business Plan and its implementation in the LAC region for the next four years. 22 people from 11 WWF Offices attended the meeting. While two GFTN operations in Peru and Bolivia were officially launched and the official launch of GFTN-Brazil is under way, team has discussed the road map to achieve better alignment among them and strategies to reach out other key companies the region where GFTN does not operate at the moment. Potential areas of future work include plantations, pulp and paper sectors and forest finance. Next step to build a common vision to implement GFTN program in LAC include:
 1. Develop LAC Regional Business Plan and share with regional stakeholders
 2. Further define how LAC will identify and leverage its core competencies and natural assets in order to contribute to GFTN global objectives
 3. Identify regional and country specific targets that will help LAC contribute to global goals
 4. Further discussion of whether and how to engage with suggested strategic partners, including specific discussion of plantations
 5. Support Unit (in coordination with LAC) to develop proposals for achieving communication improvements within LAC region.
 6. Identify meeting date, location, and coordinator for further discussion of LAC governance, communication, and finance issues, including thematic focus, priorities, costs, structure, LAC communications strategy MOU.
 7. Develop TORs to support PMI implementation in each FTN.
 8. Further define and prioritize among these options
 9. Further conversations about regional, national, or global financing strategies and who is coordinating these strategies
 10. Further conversations about regional, national, or global governance priorities
- *In Bolivia:* GFTN-Bolivia welcomed five new trade participants: Industria Maderera San Luis which exports approximately 1 million USD worth of sawn wood products annually to the region and Europe and also owns 60,500 ha of natural forests in Southwestern Amazon, two small companies exporting Bolivian handicrafts to US and Europe, one garden furniture company and another sawn wood company. In addition, GFTN-Bolivia is assisting four companies to go through baseline appraisals and develop action plans. These applicants trade a total of 2.6 million USD annually.

<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>Global Highlights</u></p> <ul style="list-style-type: none"> March 5-8 during the GFTN Annual Meeting, GFTN Management Team (previously know as Secretariat) has launched and conducted training for 28 FTN coordinators around the world on the Performance Monitoring Index (PMI). This PMI is a newly developed tool that ensures the alignment of operation in each local arms of the GFTN as well as continuous improvements in the quality of operation. <p><u>North America</u></p> <ul style="list-style-type: none"> NAFTN has conducted a briefing for USAID, Dept of State, AF&PA, World Bank on conversion of peatlands for pulp & paper and palm oil and climate and biodiversity impacts in Indonesia. NAFTN co-hosted the Roundtable on Pulp & Paper issues in Indonesia targeting investors and buyers in pulp & paper sector. 83 people attended the Roundtable and key participants included JP Morgan Chase, Citigroup, Wal-mart, Procter & Gamble, Domtar, International Paper, PaperLinX, Staples, Office Depot, Unisource, Bank of America, Random House, Corporate Express, and Limited Brands. NA-FTN and The Nature Conservancy (TNC) signed a Memorandum of Agreement (MoA) to establish a collaborative relationship to promote responsible wood procurement to U.S.-based furniture companies that source from WWF priority places such as Indonesia, Malaysia, Vietnam, Cambodia, and Laos, as well as Papua New Guinea. NA-FTN and TNC will work collaboratively to identify targeted furniture companies, and develop and implement recruitment strategies for these companies to work with TNC and to join the NA-FTN. The TNC and NA-FTN will also work to raise funds to support relevant supply chain work for NA-FTN companies sourcing from WWF priority places. This collaboration will complement WWF's collaboration with TNC through the Responsible Asian Forest and Trade (RAFT/GDA2) Program. NAFTN also continues to coordinate with the Environmental Paper Network, ForestEthics, Rainforest Alliance, Dogwood Alliance, FSC, and others on responsible purchasing issues. <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"> WWF Spain and WWF Mediterranean Program Office agreed on the expansion of Spain FTN into Iberian FTN aiming to work more effectively to tackle illegal logging in tropical forests especially in Congo Basin and Amazon with key buyer companies operating in both Spain and Portugal. The Iberian FTN will be officially launched in October 2008. Spain FTN and Central Africa FTN jointly organized an international meeting for the promotion of the responsible market of forests products between Spain and Congo Basin Countries. The meeting created a broader impact at the political level in Spain and in countries of the Congo Basin for creating further support.
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Asia Pacific

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

- *In China:* GFTN-China Annual Meeting was held on 30th October in Hangzhou. The all day meeting was attended by 65 people, mainly from the current participant and applicant companies. In addition, a broad range of external stakeholders and service providers joined for discussion. Those include WWF Russia (GFTN-Russia staff), ProForest, B&Q China, Greenpeace China, State Forestry Administration, Chinese Academy of Forestry & SmartWood. Key discussion was organized around the topics of Illegal logging (especially through Russia), traceability and COC, High Conservation Value Forests. Half day training was done on COC, HCVF and legality issues.
- *Local capacity building in China:* In this quarter 10 Baseline Appraisals are in process. These baselines were conducted by Beijing Foresource Forestry Engineering Consultancy Co. Ltd. (BFFEC) who has been trained by ProForest to become lead auditors for China FTN. Each Baseline Appraisal has been treated as a training opportunity. Beyond assessing current performance each visit has allowed China FTN staff and the auditors to explain key issues and discuss the understanding of the company involved.
- *Study Tour for China-Russia supply chain:* A study tour to Siberia was conducted on Nov 5th – 9th to study the supply chain of a GFTN-China applicant who has 5 sawmills in Siberia. Chinese and International experts of chain of custody and GFTN-Russia Coordinator visited the 5 sawmill accompanied by the applicant company.
- *In Australia:* GFTN-Australia has distributed the WWF Paper Purchasing Guide to 44 companies within the Australian paper industry.
- *In Malaysia,* GFTN-Malaysia supported Cymao Plywood Sdn Bhd establish an internal system for Controlled Wood Verification. In addition, GFTN-Malaysia also assisted Anco Furniture Sdn Bhd (supplier to the UK participant Homebase and other UK buyers in UK) remove all unknown sources the supply chain. In addition, partnership with WorldZone SB has been terminated at the expiration of its MoU due to the company's lack of performance and bleaching of communication code.

Latin America and Caribbean

- In Bolivia, In coordination with the Chamber of Exporters of Northeastern Beni and Pando (Cadexnor), the GFTN-Bolivia organized technical visits to the production forests located in the northern part of Bolivia, Riberalta, as well as industrial companies in the cities of La Paz and Cochabamba. This trip was scheduled as a part of Business Mission for Forestry Products held in March.

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><u>Progress on LOP Results and Targets:</u></p> <ul style="list-style-type: none"> • The area of forest under improved forest management (area of forest managed by GFTN participants) increased to 27 million hectares (Aiming at least 6.25 million hectares increase annually from Year 6 through 9). • The area of forest under effective management as verified by credible certification (area of credibly certified forest managed by GFTN participants) increased to 13.5 million hectares (Aiming at least 3.06 million hectares increase annually from Year 6 through 9). <p><u>Global Highlights</u></p> <ul style="list-style-type: none"> • The number of forest participants⁶ in the GFTN has been steady at 78 companies managing over 27 million hectares of forests, of which 13.5 million hectares are now under effective management. At the end of Year Six Quarter Two, there is one forest participant on suspension. <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"> • In collaboration with TFF, GFTN-Indonesia continues the recruitment of PT. Suka Jaya Makmur (SJM), a forest concession in Borneo. This FMU has originally gone through baseline audit in 2003. Since all the presented data are deemed outdated, GFTN-Indonesia and TFF conducted re-audit. <p><u>West Africa</u></p> <ul style="list-style-type: none"> • <i>In Ghana:</i> GFTN-Ghana assisted its applicant Ayum Forest Products Ltd. to undergo certification pre-assessment. A week-long certification pre-assessment was conducted in March by SmartWood Programme of the Rainforest Alliance. Following the discussions with the GFTN-Ghana coordinator, the company has recruited a lead manager to handle the company's certification program. GFTN-Ghana provided training for the newly recruited certification manager on certification and auditing on 10-11 March 2008. She also joined the certification pre-assessment team as an observer to enable her acquire practical experience on auditing and what auditors actually look for. GFTN and Ayum Forerst Products management are currently awaiting the certification pre-assessment from SmartWood to pave way for the preparation of a comprehensive time-bound certification action plan. The company will be officially accepted as a participant after the preparation and acceptance of the action plan by FTN Manager.

⁶ Forest participant means a participant who is a forest owner or manager.

Central Africa

- *In Cameroon:* WIJMA logging company joined the GFTN-Central Africa (GFTN-CA) in November 2007 for the company's two FMUs totaling 114,831 hectares and one transformation Unit. This was a result of intensive negotiations which started since 2006.
- *In Cameroon:* DECOLVENAERE Group committed the new Forest Management Unit (FMU 10.025) covering 47,823 hectares in the process of achieving credible certification. This FMU belongs to SFIL logging company.
- *In Cameroon:* PALLISCO Group committed the new Forest Management Unit (FMU 10 031) covering 41,202 hectares in the process of a credible certification. PALLISCO subcontracted this FMU from SODETRANCAM logging company.
- *In Cameroon:* TRC engaged 2 new FMUs (FMU 11.003/004) totaling 47,930 hectares in the process of credible certification. These FMUs has been subcontracted from SEFFECA logging company.

Brazil

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

- *In Brazil:* Ouro Verde submitted an application to join the GFTN-Brazil/SIM Program. The company is the second largest lumber company in Acre state managing over 40,000 ha of natural forests of which 12,000 ha is FSC certified. The company is aiming to get all its forests certified by the end of next year. Ouro Verde sells mostly to the Chinese and European markets.

Latin America and Caribbean

- *In Bolivia:* GFTN-Bolivia is assisting three forest companies managing a total of 200,000 ha of forests in Southwestern Amazon to complete their baseline appraisals and develop action plans. These companies also sell a total of 1 million USD worth of sawn wood and flooring annually to US, China, and Europe.

Russia

- Three new participants joined the GFTN-Russia during this reporting period. Those companies include Prizma-Holz, Kata, and PLO Onegales. Kata is one of the biggest companies in Irkutskaya Oblast with an annual wood turnover of 23million USD. The company also manages 288,000 ha of forests. Another company PLO Onegales manages 1.7 million ha of forests and trades an approximately 40 million USD of round wood annually. In addition, 6 additional application was submitted to GFTN-Russia. One of the company is Investlesprom, now the biggest Russian forest holding company (managing 5.5 million ha., with 5 billion USD wood annual turnover) with pulp and paper, saw, fibreboard, plywood mills in Northwest Russia, eastern European Russia, and Siberia as well as West and East Europe. Onega Sawmill is one of the most advanced sawmills in Northwest Russia, producing competitive sawnwood of highest quality (approximately 50 million USD annually). Another company is Lesprompostavka is a middle-sized company from Kirovskaya Oblast, managing small forest and producing sawnwood and high value-added wood products for

	<p>domestic and foreign markets. ResursLesTrans, Delta-Plus, and Lesprom-Invest are logging companies from Siberia, producing certified logs for big Russian sawmills that can help raise the production of certified products.</p>
<p>2.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 participants on average, GFTN expect at least 450 people will be trained annually)</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"> • <i>In Indonesia:</i> GFTN-Indonesia provided training to PT. Sarang Sapta Putra (PT. SSP) on timber tracking system for forest management. 25 staff of PT SSP gained better understanding in setting up CoC system for their operation. • <i>In Indonesia:</i> GFTN- Perhutani's two of five FMUs had undergone pre-assessment by SGS. GFTN-Indonesia is assisting the FMUs in Madiun and North Banyuwangi to close gaps identified in the pre-assessment. Main assessment for Madiun & North Banyuwangi FMU will be scheduled at the end of this year. • <i>In Indonesia:</i> Training on HCVF and environmental was held on 17-18 December 2008 for PT. Sari Bumi Kusuma's staff in West Kalimantan. The training was attended by 30 participants from Alas Kusuma group. To increase supply of raw materials to PT. Sengfong Moulding Perkasa, an area of 100 hectares private land is designed to produce teak with facilitation of GFTN-Indonesia and Faculty of Forestry IPB. • <i>In Indonesia:</i> GFTN-Indonesia continued providing technical assistance to Perhutani including HCVF assessment, timber tracking system, social/community development program, etc. • <i>In Indonesia:</i> In an effort to promote forest community certification, WWF/GFTN-Indonesia has attended the workshop sponsored by East Java Forestry Office on the results of FCAG study in Indonesia in November in Bogor. Approximately 30 people from variety of background participated the workshop. • <i>In Indonesia:</i> GFTN-Indonesia is also actively collaborating with The Nature Conservancy (TNC) on RAFT project, Tropical Forest Foundation (TFF) on delivering technical support to forest managers in the field Reduced Impact Logging, setting up Timber tracking system and HCVF assessment, as well as Bogor Agricultural University (IPB) on preparing Perhutani towards credible certification and the teak plantation project in Sulawesi. TFF has conducted baseline audit for PT. Suka Jaya Makmur and deliver technical assistance to PT. SBK in assessing and maintaining HCVF as well as Social study. • <i>In Vietnam:</i> GFTN-Vietnam is supporting its forest participant FOREXCO in implementing the action plan to achieve FSC certification. FOREXCO is a supplier for IKEA. <p><u>West Africa</u></p> <ul style="list-style-type: none"> • <i>In Ghana:</i> Samartex Timber & Plywood Company Ltd was recently awarded a compliance certificate by Smartwood for meeting FSC Controlled Wood standards in its forest concession areas. This is an important milestone on the road to full FSC certification for GFTN participant Samartex, and is the result of

	<p>three years of support by GFTN. With GFTN encouragement, Samartex joined the Rainforest Alliance's Smartstep programme, which will provide additional certification audit expertise and monitoring oversight as Samartex prepares for its primary FSC assessment, scheduled to occur in a year. Samartex recently reported increased efficiencies and market pick-up after implementing reduced impact logging techniques. Situated in the Ghanaian town of Samreboi, Samartex holds long-term concessions for 14 forest reserve leases totaling 160,000 hectares; it also has timber felling leases for four offforest reserves totalling 32,000 hectares. Currently it operates sawmill, veneer mill, ply mill and wood carving production facilities, and has plans to establish a garden furniture production facility. A free-zone company, Samartex is one of the leading producers in Ghana, with average annual sales of €17 million. It intends to include its Mamiri Forest Reserve – which is being converted from a timber production facility to a wildlife management reserve – in the FSC certification process.</p> <ul style="list-style-type: none"> • <i>In Ghana:</i> GFTN-Ghana provided technical supports to the National Working Group on Forest Certification to finalize the Ghana Forest Standards, technical support services towards finalization of the plantation standards. The GFTN-Ghana Manager and the SmartWood representative in Ghana reviewed the standards and incorporated all stakeholders' comments that were made at the national stakeholder validation workshop organized by the National Working Group. The natural forest standards have now been presented in a format that meets FSC requirements. GFTN-Ghana manager and the SmartWood representative also led the development of the plantation standards for Ghana after which the stakeholders' consultations was field-tested in end of October 2007 in three plantation sites in Ashanti and Brong Ahafo Regions of Ghana. A field-testing report is currently being put together whilst the plantation standards are being reviewed based on field testing results. During the plantation standards field-testing, the GFTN Manager led a field-testing team to assess the practicality and appropriateness of the draft plantation standards for Ghana. • <i>In Ghana:</i> GFTN-Ghana provided technical support to FLEG/VPA processes in Ghana particularly in developing a definition for "Legal Timber" and a Wood Tracking System for Ghana as part of Ghana's preparations for Voluntary Partnership Agreement with the European Union. The GFTN-Ghana's support for timber companies in Ghana to develop rigorous wood tracking and chain and custody systems has been recognized by the Ghana Forestry Commission, which was highlighted in the draft Wood Tracking System document. Following this recognition, the GFTN-Ghana manager was nominated as a member of the Verification and Licensing Working Group of the VPA processes in Ghana. The Verification and Licensing Working Group is to advise Ghana government on Wood Tracking Systems and Legality Assurance Schemes under the VPA. The Manager is currently the Chairman of this working group. GFTN-Ghana manager, as Chairman, led the working group in six different meetings to offer technical advise and invaluable input into the Ghana Wood Tracking System and the overall Legality Assurance System of the VPA. Through this support, a draft Wood Tracking System document has now been produced. • <i>In Ghana:</i> GFTN-Ghana provided Chain of Custody training for its participants Scanstyle and Samartex. The training was organized for Samartex on 3-8 December 2007 for which 36 key staff and those involved in COC systems participated. Further technical support services were given to Scanstyle to
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	<p>strengthen its Chain of Custody systems.</p> <ul style="list-style-type: none"> <p><i>GFTN-Ghana:</i> GFTN-Ghana organized another two-day certification and auditing trainings in March to improve local capacity. The training was carried out by a three-man team from SmartWood Program of the Rainforest Alliance-Africa Regional Office of the Sustainable Forestry Division. A total of 32 participants including certification managers of FTN participating companies, Forestry Commission's Regional and District Forest Managers and representatives from the Kumasi Wood Cluster. The goal of this training was to equip participating forest managers with adequate understanding of forest certification and the assessment process to assist them to figure out what auditors look for during certification assessments. For the other participants, it was to serve as building their capacity in certification and auditing techniques as a way of developing a pool of competent auditors in Ghana. It was also to improve Forestry Commission's staff understanding of certification and auditing, especially those regional and district managers in charge of areas where FTN participating companies are pursuing certification. This training workshop received high press coverage by both radio and several print media.</p> <p><u><i>Central Africa</i></u></p> <ul style="list-style-type: none"> <p><i>In Cameroon:</i> GFTN-CA provided technical and financial support to conduct a pilot socio-economic study which was finalized and handed over to TRC managers. GFTN-CA also provided technical support to TRC for the development of strategy to fight against poaching. This involved the organization of the meeting with Senior staff from the Ministry in charge of forestry, staff from TRC and WWF. 20 people attended this meeting.</p> <p><i>In Cameroon:</i> GFTN-CA provided support to for the establishment of the consultation frameworks between logging company, local communities and local administration. This involved the establishment and capacity building (on their implication in the process of the implementation of the management plan) of six (6) Forest Community Committees around three FMUs managed by this company. GFTN-CA also provided the financial and technical support to Decolvenaere for the study of HCVF for two FMUs. GFTN-CA contributed for the assessment of the progress with the implementation of the action plan towards certification. This assessment was done by an accredited certification body (SMARTWOOD). The results of this assessment helped to identify the gaps to be filled before the organization of the main audit scheduled in September 2008.</p> <p><i>In Congo:</i> GFTN-CA assisted IFO for the implementation of the action Plan. Significant progress especially on security of workers and social aspects were observed. For the next six months, the company with assistance of GFTN-CA will concentrate on contribution for the participatory development of the strategy to control poaching, the study on the social impact of logging with focus to local and indigenous communities, the establishment of the consultation frameworks between local communities, IFO and local public administration.</p> <p><i>In Gabon:</i> GFTN-CA in collaborated with PROFOREST organized a training workshop on HCVF in Gabon. Rougier Gabon was used for field work. Eighteen peoples from Gabon and two people from Congo-Brazzaville attended this workshop.</p>
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- CAFTN in partnership with FSC Africa to organize a regional workshop for the development of FSC Regional Standard adapted to the Congo Basin Forests. This workshop was organized between from 19 to 21 March 2008. The first draft of this standard was developed and the FSC Regional Working Group was established.

Brazil

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

- In December, GFTN-Brazil/SIM Program in partnership with IFT–Instituto Floresta Tropical (Tropical Forest Institute) organized a Reduced Impact Logging training Course in Pará, Brazil. A total of 17 people attended the course.
- WWF-Brazil organized an expedition in the Terra do Meio region, the largest cluster of a series of protected areas in the Para state. The expedition gathered several scientists to study local fauna, flora, and geography in order to allow the Altamira National Forest Management Plan to be written. After the completion of the plan, an area inside the national forest can be set for forest concessions. GFTN-Brazil/SIM Program presented about responsible purchasing policies and deforestation in the Amazon to the Federal Congress Environmental Commission. Congress Environmental Commission requested the SIM Program to help develop a Brazilian Forest Report. The program will work with other NGOs to write a chapter on forests in the Amazon and trade.
- WWF-Brazil in partnership with IUCN concluded a report on the decentralization process of the forest law enforcement responsibilities, where the state environmental agencies will have to enforce the law instead of the federal agency (IBAMA).

Russia

- A study tour was organized for participants, applicants, and potential members form the Russian Far East and Siberia (10 attendees) to visit the Pskov Model Forest and GFTN participants's certified forests in European Russia to learn the successful experience of regional companies in achieving certification (in December).
- Another study tour to Canada was organized aiming for GFTN participants, experts and state FMU (8 attendees) to learn the Canadian experience in achieving FSC certification and advanced forestry and logging technologies (in November).
- GFTN-Russia also supported Onega Sawmill, Les Export, Kata, and Sorvizhi-les in identifying HC VF within their forest concessions.
- GFTN-Russia together with other NGOs takes part in the development and revision of new forest by-laws and regulations, following the new Forest Code, to make them more environment-friendly (compliance with FSC requirements, HC VF). Several regulations and by-laws were adopted at federal and regional levels with the support of GFTN-Russia. GFTN-Russia continues participating FSC Working Group for harmonizing the national FSC Standard and Russian National Forest Standard (PEFC).

<p>2.c. Increase the area of forest under effective management as verified by credible certification.</p>	<p><u>Central Africa</u></p> <ul style="list-style-type: none"> • <i>In Cameroon:</i> The Societe d'Exploration Forestiere et Agricole du Cameroun (SEFAC), GFTN-Central Africa participant logging company carrying out timber operations across nearly 315,000 hectares of forest in the east province of Cameroon recently became the first logging company in south-east Cameroon to be awarded FSC certification. This certification is indicative of the company's determination to embrace responsible forest management rules as specified in FSC criteria. SEFAC operates two sawmills in Libongo and Bela, near the Sangha river on Cameroon's border with the Central African Republic. • <i>In Cameroon:</i> GFTN-CA provided support to TRC for the development of the HVCF strategy for FMU 00.004. As a result, TRC was awarded certification for the sustainable forest management for 96,914 ha. of the FMU 00.004 and for the Chain of Custody in February 2008. • <i>In Cameroon:</i> GFTN-CA provided support WIJMA to develop the strategy on HVCF for the FMU 09.021 covering 39 614 ha) and to undergone the corrective FSC audit for the FMU 09.021. As a result, WIJMA successfully obtained FSC certificate for this FMU covering 39 614 hectares. <p><u>Latin America and Caribbean</u></p> <ul style="list-style-type: none"> • GFTN-Peru: Six of GFTN-Peru participants have gone through their first annual evaluation of forest management certification, of which four participants have successfully maintained the certification and the two are waiting for the results. Those six participants manage a total of 427,000 hectares of certified forests. • GFTN-Bolivia: Multiagro has achieved the certification of 577 ha. of Pinus radiata plantations. Multiagro is FTN Bolivia member since June, 29th, 2006 and is planning to achieve IMO certificate of additional 600 ha by the end of 2008. <p><u>Russia</u></p> <ul style="list-style-type: none"> • ResursLesTrans, Delta-Plus, Lesprom-Invest, and Kazhimskoje Lesnichestvo (Mondi Syktyvkar) successfully achieved FSC Forest Management/COC certificates for a total of 393,383 ha. This makes the total areas of FSC certified forests in Russia have reached 20.3 ha (or about 15% of the Russian commercial forests) with the FTN participants share of 72%. This rising share by GFTN-Russia participants creates further influence on regional forest policies (Arkhangelskaya Oblast, Kirovskaya Oblast, Primorskiy Kray, Krasnoyarskiy Kray, Vologodskaya Oblast, Karelia). FSC COC certificate were also awarded to Lesinterkom and Swedwood Tikhvin. • In addition, ten GFTN-Russia participants are preparing for FSC FM/COC certification: Investlesprom (logging companies), Mondi Syktyvkar (logging companies), Primorsklesprom, Primorsky GOK, Priozersky DOZ, Cardinal, Sorvizhi-les, IP Pankratov, Les Export, and Prizma-Holz. Technoclassik and TMK-Perspektiva are preparing for FSC COC certification.
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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.

Activity	Major Accomplishment
<p>3.a. Extend technical, policy, and market information availability via Web-based resources and other venues.</p>	<p><u>Global Highlights</u></p> <ul style="list-style-type: none"> GFTN has re-launched its public website, offering not only GFTN updates and information but also related industry news and resources. As a part of new launch, GFTN offers monthly online newsletters featuring selected news and publications on the forest certification and responsible forestry and trade around the world. In addition, GFTN has published its Quarterly newsletter for Fall 2007 and Winter 2007. This quarterly newsletter highlights the recent development of GFTN and its participants around the world. Both monthly news updates as well as quarterly newsletters were distributed to over 3,000 subscribers to the GFTN website. <p><u>Latin America and Caribbean</u></p> <ul style="list-style-type: none"> WWF/GFTN-Bolivia, for the second consecutive year, organized the Business Mission for Forestry Products aimed at companies participating GFTN and are interested in establishing trade relations with twelve companies that are participating in the GFTN-Bolivia, certified Bolivian producers or those in process of certification. The Business Mission run from March 24th to 28th, during the 2008 ExpoForest (International Forest, Wood and Technology Fair) in Santa Cruz de la Sierra, which run from March 26th to 29th, 2008 (www.cfb.org.bo/CFBFerias). The objective of the Business Mission was to introduce the 32 visiting foreign business men and women the potential supplier from the Bolivian companies, participants of the GFTN, to facilitate market links between supply and demand for certified wood or in process of certification, and thus to ensure the conservation of forests. During the Fair, the "Twinning Agreement" between the Barcelona City Council and Municipal Government of Santa Cruz was also celebrated, and Spain and Bolivia have joined together to preserve the future of forests, which are threatened by deforestation, climate change and illegal logging. In addition, a distinction was given on behalf of WWF, recognizing the efforts of both cities. This recognition took place in the Mayor's office earlier on the same day. The initiative aims to facilitate the necessary technical support required to implement the "Responsible Purchase Policy" adopted by the Barcelona City Council in 2005, following recommendations made by WWF Spain, and which the Santa Cruz de la Sierra Municipality has also assumed, with WWF Bolivia, in July of last year. GFTN-Bolivia is currently working with 11 participating companies which represent 92% of Bolivia's FSC certified forests. <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"> • <i>Keep It Legal manual in Chinese:</i> GFTN-China has translated the Keep It Legal manual into Chinese. (http://assets.panda.org/downloads/kil_chinese.pdf) A guide to Chinese processes and documentation to allow legal verification or self-assessment is being developed and will be included in an annex to Keep It Legal. The final and published annex on China will be available within the next quarter. • <i>In China:</i> The 2nd National Green Building Technologies and Sustainable Development Seminar was held in Tianjin on October 19th, 2007. WWF has co-organized this seminar and has presented on the topic of certification and GFTN program. About 60 people including Chinese and foreign governmental officials, experts in the fields of green building and building efficiency, and technical staff from corporations joined the seminar. <p><u><i>Africa</i></u></p> <ul style="list-style-type: none"> • <i>In Ghana:</i> A series of awareness raising and education on forestry laws and regulations with an emphasis on Social Responsibility Agreement (SRA) and local communities' roles and responsibilities in forest management under Ghana Forestry Laws and Regulations were organized for Traditional leaders and local community groups in the Western and Ashanti Regions of Ghana. The first of the series was organized for the traditional leaders of Wassa Amenfi Traditional Area on 1-2 November 2007 for which 78 Chiefs and Queen mothers participated. The objective of this seminar for the traditional leaders was to change the perception that local communities have the right to use SRA funds for whatever purpose they deem fit and that traditional leaders who heads of various communities have right to decide what SRA funds should be used for SRA. Key topics treated and discussed at this forum are SRA, FLEG/VPA processes in Ghana, Forestry Laws and Policies and key forestry issues in Ghana and the role traditional leaders need to play in resolving the issues. The event was broadcasted and covered by the Ghanaian Times. In addition, a series of community awareness creation and educational programmes on SRA were organised in November-December 2007 in collaboration with the Friends of the Earth-Ghana in communities fringing Pra Anum, Oda River and Nkrabea forest reserves.
<p>3.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</p>	<p><u>LOP Results and Targets:</u></p> <ul style="list-style-type: none"> ▪ The number of market links (trade relationships) and economic value made among the GFTN participants increased to 174 market links (or \$78 million). <p><u><i>Market links:</i></u></p> <ul style="list-style-type: none"> • As of the end of Year Six Quarter Two, GFTN has generated 406 enquiries from trade participants or applicants who wish to purchase more responsibly from forest participants in the network. To date 174 of these enquiries have become market links where the two organizations are now trading. These market links have an estimated value of \$78 million. The remaining 232 enquiries remain open for current or future Forest & Trade Network (FTN) participants. These enquiries have a value of in excess of \$315 million and range from plywood and

<p>credible certifications and/or to ensure their existing buyers' commitment for a continuing business while meeting their requirements.</p>	<p>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.</p> <ul style="list-style-type: none"> • <i>Spain-Congo Basin links:</i> CAFTN in collaboration with Spain FTN organized in the Congo Brazzaville the International Business Seminar on promotion of Responsible Timber Trade between Spain and the Congo Basin countries. This Seminar provided an opportunity for Buyers from Spain and Producers from the Congo Basin to exchange on the issues related to responsible timber trade and promotion of FSC certification. It provided also an opportunity for the Groups to negotiate business. Four Congolese Ministers (Minister in Charge of Forestry, Minister in charge of trade, Minister in Charge foreign affairs and Minister in charge of Environment) and the Secretary General of ATO participated to the opening ceremony which was chaired by the Minister in charge of forestry. This Seminar brought together more than 60 people. It involved field visit, presentations and interactive discussions as well as roundtables between Buyers from Spain and Producers from the Congo Basin. • <i>US-China links:</i> CBEX-Global has organized a conference in the US in November to promote GFTN-China and their certified products in the US market. Three GFTN-China participants and a number of US building material distributors have participated in the conference in US. • <i>US/Netherland/Belgium-Malaysia links:</i> GFTN-Malaysia facilitated the market enquiries from Netherlands, Belgium and North America (Blue Linx) with McCorry and Borneo Tsang. Company information about Borneo Tsang has been send to Netherlands upon request. • <i>UK-China-possibly Russia links:</i> Two of the new GFTN-China participants (All Blinds & Qingyuan Supreme Plastic Products) are major suppliers of wooden blinds to a number of European and US retailers. A major and instrumental customer is GFTN-UK participant Homebase. Two years of commercial pressure paid off when these two companies joined the FTN in October. Both companies have begun exploring to source from GFTN-China forest participants. In November, representatives from Homebase and these two wooden blind companies visited to Baihe Forest Bureau (GFTN-China forest participant). The companies are also seeking sources of suitable species form the Russian Far East. Within the next 12 months a whole new supply chain is likely to be developed from one or more of these options. • <i>UK-Indonesia link:</i> in collaboration with GFTN-UK, GFTN-Indonesia generated market links to UK-FTN members. A series of meetings with Marks&Spencer, Jewson (a Saint-Gobain subsidy), Clarkswood and Sainsbury took place in the first week of October. Following this meetings, PT. SBK plymill has succeed to supply 500 m3 of FSC certified plywood to Jewson. GFTNIndonesia also facilitated visit of HomeBase/Argos to their supplier (PT. Royce) in Batam. The furniture sales to Argos are approaching USD 50 million annually. • <i>China-Peru links:</i> In January 2008 GFTN-China manager and a senior manager fom Yingbin (Nature) visited Peru to meet with a number of existing and potential suppliers of hardwood suitable for flooring together with GFTN-Peru staff. In the week long visit the party met with six companies who are existing participants or applicants to the GFTN-Peru. All of these companies source
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	<p>tropical hardwoods from the Peruvian Amazon. As with the GFTN-China, all GFTN-Peru participants are committed to responsible sourcing and are actively encouraging forest managers within the Amazon to certify their forests to credible standards in the long term and to source legal wood in the short term. During the visit, Yingbin-Nature was able to announce new investment (\$10m USD) in wood processing in Peru with their new partner Universal Flooring. After the visit, Universal Flooring decided to apply the Peru FTN membership and are committed to driving certification amongst their supply chains. More sawmills or suppliers may be encouraged to join Peru FTN and which may bring more concoctions to apply for a credible certification then. Prospects for Yingbin-Nature sourcing wood from amongst the other five companies visited look promising with at least two of the companies agreeing to send sample to Yingbin's Peruvian partner for trials. The presence of a partner company in Peru will ensure that strong support for the work of the Peru FTN will remain and that the China FTN Participant Yingbin-Nature will continue to make progress in its responsible purchasing program. <i>(Please note: This information is commercially sensitive and is included in this report subject to no associated communications activity without prior discussions with the named companies via WWF China.)</i></p> <ul style="list-style-type: none"> • <i>China-Brazil links:</i> In January 2008 the GFTN-China FTN and GFTN-Brazil coordinators together with the senior manager of Yingbin-Nature met with a number of Yingbin-Nature's existing and potential suppliers in Brazil. The trip allowed the GFTN-Brazil coordinator to demonstrate clear market demands for legal and sustainable timber within the Chinese market place. Unlike the situation in Peru where the visiting company has well established links to the producers the situation is less well defined and it is early days in the relationships. It is hoped that in time a similar degree of trust will exist between parties to ensure that the Brazilian producers are able to demonstrate their commitment to certification and legal product. • <i>China:</i> China Wood Flooring Import & Export Conference was held two days before the GFTN-China annual meeting and major Chinese wood-flooring producers across the country as well as their suppliers and customers around the world have attended the conference. The conference allowed GFTN-China to begin engaging with Power Dekor (China's largest wooden flooring manufacturer) and their customer Anderson (USA). Power Dekor's representatives stayed an extra day to attend the GFTN-China Annual Meeting. In addition, the conference also provided an excellent opportunity for GFTN-China to identify key players and its supply chains. • <i>In Peru:</i> Consorcio Forestal Amazonico (CFA), one of the GFTN-Peru forest participants the managing 180,500ha of forests, signed an agreement to provide 27,000m³ (different species) to Maderera Vulcano for the current harvest season. This is the biggest commercial agreement ever signed for FSC products in Peru. In addition, another market links is under development between CFA and LUCOFI (potential applicant) as well as Forestal Río Huascar (GFTN-Peru participant) and Universal Flooring (potential applicant) • <i>In Bolivia:</i> The commercial mission which begun with a series of visits to companies in La Paz and Cochabamba (Mabet, Sumapacha, Multiagro Jolyka and Ecolegno) resulted in market potential of certified products and/or raw material of approximately 3.5 million USD. The potential links include: <ul style="list-style-type: none"> - Servicios Funerarios from Spain with: Multiagro, Maderera Ipacará y Bolital
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	<p>companies</p> <ul style="list-style-type: none">- Fortim Trading from Belgium with La Chonta- Linux-Holland with Jolyka- Jolyka with DPW-Holland- Beka Houtproducten - Holland with Imapa and Bolital- Dekker - Holland with San Juan Pando <ul style="list-style-type: none">• <i>Enquires for Russia:</i> China, Germany, Netherlands, Vietnam, UK, Sweden, Spain, and Belgium generated enquiries for paper, packaging, sawnwood, joinery, construction materials, plywood, round wood, etc. (equivalent to 600,000 USD) to GFTN-Russia participants.• GFTN-Russia and GFTN-Sweden jointly facilitated links between two Sweden companies and Russian companies at the annual GFTN-Russia meeting in December.• Vietnam-Ghana links: GFTN-Vietnam and GFTN-Ghana facilitated a market link between Troung Thanh Furniture Company of Vietnam and Scanstyle Mim Ltd of Ghana. Both companies are participants to the GFTN.• Vietnam-Global links: GFTN organized a field trip for 28 FTN managers to visit two participants of GFTN-Vietnam in March: Truong Thanh Co., Ltd and Tran Duc Group. Truong Thanh Co., Ltd has been participants since 2006, while Tran Duc Group is a newly joined participant. A series of information about the market around the world was exchanged during the visit.
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