

**Sustainable Forest Products Global Alliance**  
Project period October 1, 2008 – March 30, 2009

Year 7 Quarter 1/2 Report

Submitted by World Wildlife Fund  
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## Introduction

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

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

In over six 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, 2008 through March 30, 2009) of the seventh funding year of the Global Alliance. During this period, WWF made substantial progress towards accomplishing the expected achievements defined for the year.

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

- The number of trade participants<sup>1</sup> in the Global Forest & Trade Network (GFTN) has decreased slightly in this reporting period from 278 to **258** companies. This decrease reflects GFTN's strategy to work with more strategic companies which is evident in the increase in the trade and value of forest products these participants are responsible for. The 258 trade participants currently trade **257** million cubic meters of round wood equivalent (RWE) per year (approximately 16% of the global harvest of industrial round wood based on FAO estimates in 2005), which represents nearly US\$ **62** billion in forest product sales per year. At the end of Year Seven Quarter Two, there are 11 trade participants on suspension due to their lack of progress against their action plans. (See Figure 1a: GFTN Trade Participants Progress)

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

- The number of forest participants<sup>2</sup> in the GFTN has been steady at **83** companies managing over **38** million hectares of forests, of which **21** million hectares are now under effective management. At the end of Year Seven Quarter Two, there are six forest participants on suspension. (See Figure 2a: GFTN Trade Participants Progress)
- In addition, a total of **74** applicants are at various stages of application process. Those applicants manage additional **5** million hectares of forests, trade approximately US\$ **1.1** billion of forest products per year.
- As of the end of Year Seven Quarter Two, GFTN has generated **432** enquiries from trade participants or applicants who wish to purchase more responsibly from forest participants in the network. To date **189** of these enquiries have become market links where the two organizations are now trading. These market links have an estimated value of US\$ **88.1 million**. The remaining 243 enquiries remain open for current or future GFTN participants. These enquiries have a value of in excess of US\$ 323 million and range from plywood and paper and to sawn wood and logs. This represents considerable demand for responsibly produced forest products and is a useful indicator which local GFTNs are using to inspire new participation. (See Figure 3b. GFTN Market Links Progress)
- GFTN estimates approximately **2.4 million** employees and **670 community families** are currently benefiting from the GFTN participating companies.
- During the first half of the Year Seven, GFTN has trained **460** professionals (architects, designers, contractors and building owners); forest products companies, trade associations, NGOs and federal agencies) on purchasing, specifying, and financing responsibly produced and/or traded forest products. In addition, **6,100** 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.

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

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

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

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 7)	Progress as of this reporting period
<p><b>LOP Results and Targets</b></p> <ul style="list-style-type: none"> <li>By 2011, the share of the value and volume of globally traded forest products traded by GFTN participants doubles to 25% (Aiming at least 3.175% increase annually from Year 6 through 9)</li> <li>By 2011, the absolute volume of credibly certified products<sup>3</sup> traded by GFTN participants increases to 200 million m<sup>3</sup>, and the % of credibly certified products over total volume of forest products traded by GFTN participants shows continued growth. (Aiming at least 42.25 million m<sup>3</sup> increase annually from Year 6 through 9)</li> </ul>			
<b>Activity 1.a.</b>	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.		
<b>Activity 1.b.</b>	Increase organizational and technical capacity of roughly 350-400 buyers and specifiers (GFTN trade participants and applicants) of forest products to source forest products legally and responsibly. (Assuming every trade participant has at least one training per year, GFTN expects at least 450 people will be trained annually)		
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 7)	Progress as of this reporting period
<p><b>LOP Results and Targets:</b></p> <ul style="list-style-type: none"> <li>By 2011, increase the area of forest under improved forest management (area of forest managed by GFTN participants) to 50 million hectares (Aiming at least 6.25 million hectares increase annually)</li> </ul>			

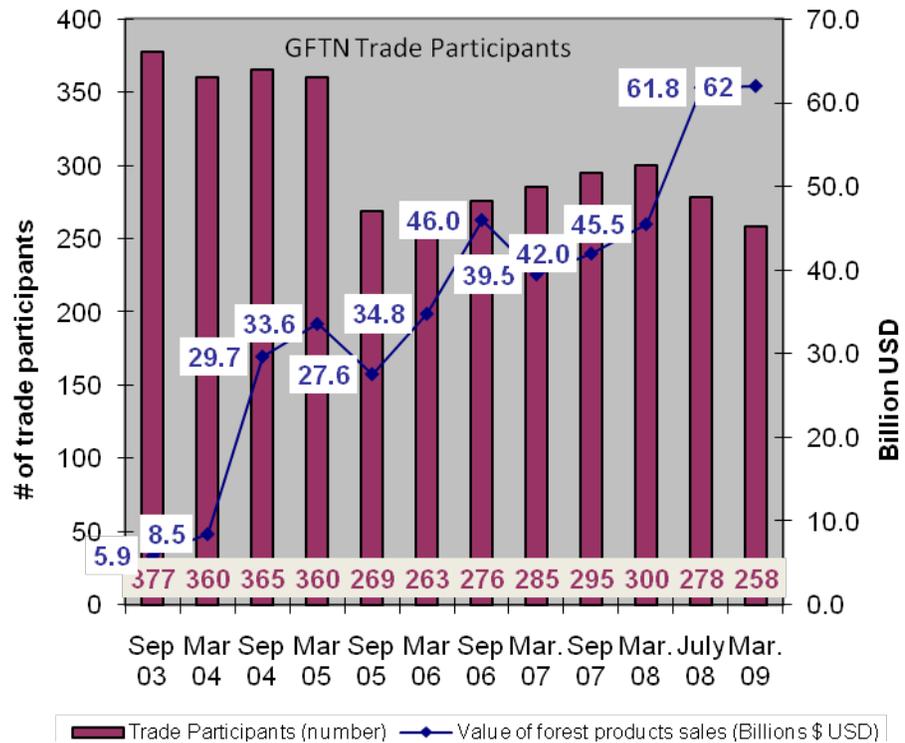
<sup>3</sup> This is the best estimate based on the UNECE 2007 Forest Products Market Review, which states that there are 370 million m<sup>3</sup> of certified wood sold and that 30% of this is by FSC. Therefore, there is estimated 111 million m<sup>3</sup> credibly certified wood on the market.

<p>from Year 6 through 9).</p> <ul style="list-style-type: none"> <li>By 2011, increase the area of forest under effective management as verified by credible certification (area of credibly certified forest managed by GFTN participants) to 25 million hectares (Aiming at least 3.06 million hectares increase annually from Year 6 through 9).</li> </ul>		<ul style="list-style-type: none"> <li>13.5 mil. ha.</li> </ul>	<ul style="list-style-type: none"> <li><b>21 mil. ha.</b></li> </ul>
<b>Activity 2.a.</b>	Identify and work with roughly 120-150 strategically selected forest owners and managers (GFTN forest participants) in priority forest eco-regions to commit to achieve credible certification with time-bound plans using stepwise approach.		
<b>Activity 2.b.</b>	Increase organizational and technical capacity of roughly 120-150 forest owners and managers (GFTN forest participants and applicants) to manage forests legally and responsibly. (Assuming every forest participant has at least one training per year and three people will be trained per participants on average, GFTN expect at least 450 people will be trained annually)		
<b>Objective 3</b>	<b>Increase efficient trade of legal forest products from well-managed forests through the development of responsible forest product market and the dissemination of information that enhances the decision making of willing buyers and sellers.</b>	<b>Baseline (as of the beginning of Year 7)</b>	<b>Progress as of this reporting period</b>
<p><i>LOP Results and Targets:</i></p> <ul style="list-style-type: none"> <li>Increase outreach of market information to corporate and business audience to influence business practices.</li> <li>By 2011, increase the number of market links (trade relationships) and economic value made among the GFTN participants to 300 market links (or US\$ 150 million). (Aiming at least 35 market links or US\$ 19 million increase annually from Year 6 through 9).</li> </ul>		<ul style="list-style-type: none"> <li>174 market links (or \$78 million).</li> </ul>	<ul style="list-style-type: none"> <li><b>189 market links (or \$88.1 million).</b></li> </ul>
<b>Activity 3.a.</b>	Extend technical, policy, and market information availability via Web-based resources and other venues.		
<b>Activity 3.b.</b>	Provide a mechanism for committed buyers and specifiers to identify suppliers who can supply their requirements and/or to ensure their existing suppliers can meet their requirements; and for committed forest enterprises to identify the buyers who are committed to buy forest products that are credibly certified or progressing towards credible certifications and/or to ensure their existing buyers' commitment for a continuing business while meeting their requirements.		

**Table 2 – Year Seven Accomplishments – October 1, 2008 through March 30, 2009**

<b>Objective 1 - Enhance demand for legally produced products from well-managed forests through implementation of responsible purchasing practices by global businesses and other organizations.</b>	
<b>Activity</b>	<b>Major Accomplishments</b>
<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><u><i>Progress on LOP Results and Targets:</i></u></p> <ul style="list-style-type: none"> <li>• The share of the <b>value</b> of globally traded forest products traded by GFTN participants increased to <b>16.56%</b></li> <li>• The share of the <b>volume</b> of globally traded forest products traded by GFTN participants increased to <b>16.36%</b></li> <li>• The absolute <b>volume</b> of credibly certified products<sup>4</sup> traded by GFTN participants increased to 95 million m<sup>3</sup>, and the % of credibly certified products over total volume of forest products traded by GFTN participants shows steady progress at 36%.</li> </ul>

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



*Global Highlights*

- The number of trade participants<sup>5</sup> in the Global Forest & Trade Network (GFTN) has decreased in the past six months from 278 to **258** companies. This decrease reflects GFTN’s strategy to work with more strategic companies that has bigger impact in the forest product market. This is evident in the increase in the trade and value of forest products these participants are responsible for. These companies currently trade **257** million cubic meters of round wood equivalent (RWE) per year (approximately 16% of the global harvest of industrial round wood based on FAO estimates in 2005), which represents nearly US\$ **62** billion in forest product sales per year. At the end of Year Seven Quarter Two, there are 11 trade participants on suspension due to their lack of progress against their action plans.

*North America*

- During the first half of the Year Seven, GFTN North America (GFTN-NA) participant BlueLinx extended their participation in GFTN-NA through December 2011. BlueLinx is a building products manufacturer who sources from Indonesia, China, Ghana, Russia, Brazil and Peru with major

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

	<p>markets in the US and Canada.</p> <ul style="list-style-type: none"><li>• GFTN-NA participant Procter &amp; Gamble (P&amp;G) is nearing completion of a Controlled Wood (CW) risk assessment for its North American pulp supply and working with Brazilian suppliers to seek CW certification. In addition GFTN-NA has connected P&amp;G with SmartWood to initiate the COC process for one of their mills in Canada.</li><li>• GFTN-NA is working with Williams-Sonoma, Inc. to finalize their purchasing policy, Baseline Assessment and Action Plan. The purchasing policy should be publically available in May 2009.</li></ul> <p><i>Europe</i></p> <p><i>WWF's activities in Europe are supported by matching funds.</i></p> <ul style="list-style-type: none"><li>• <i>Seven new participants in France:</i> GFTN-France re-launched in October with seven new participants: Setragroup, Berrywood, Leroy Merlin, Fournier (Mobalpa), Castorama, Nature et découvertes and the Regional Council Nord Pas de Calais. These new participants have a combined annual turnover of over US\$ 1 billion and cover major importing sectors including furniture, flooring, and kitchen manufacturing; they also include major home improvement retailers. GFTN Participants in France are essential to driving credible certification in the world's most important forests - including critical 'hotspots' such as the Congo Basin, Amazon, Amur Heilong and Mekong. GFTN-France's re-launch reflects an increased focus on promoting responsible tropical timber trade between France and the Congo Basin. Under this new more focused vision GFTN-France and GFTN-Central Africa will develop coordinated activities among participants to more effectively leverage GFTN's impact in transforming the global timber trade.</li><li>• <i>Participant progress in the UK:</i> GFTN-UK Participant B&amp;Q, the UK's largest home improvement retailer, has gained FSC COC certification. The certification was granted following a strict audit of B&amp;Q's procurement and handling of certified wood products by the SmartWood programme of the Rainforest Alliance.</li><li>• <i>Participant progress in Iberia:</i> GFTN-Iberia participants have recently announced new developments in FSC product offerings. Lafarge, an international cement company, launched the first FSC-certified cement sack in the sector and the first FSC-pallet in Spain. Puertas Luvipol, an international door manufacturer, has launched the first door made with FSC-certified tropical timber.</li><li>• <i>New participants in Russia:</i> GFTN-Russia welcomed Sib-Ekologiya, a major manufacturer that sources from the Russian Far East and exports approximately 100,000 m<sup>3</sup> to markets in Egypt, Japan and Germany.</li><li>• <i>Six new applicants in Russia:</i> GFTN-Russia is working with six new applicants: Pitkjaranta Pulp Mill, Domostroitel, Severny Les, Melnichnoye, Lesnoy Profil and Arkhangelsk Plywood Mill. These manufacturers have a</li></ul>
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combined annual wood turnover of US\$ 161 million and produce over 500,000 m<sup>3</sup> of pulp, furniture, sawnwood and roundwood for markets in Russia, Ukraine, Germany, China, Finland, India, Japan and Korea. Pitkjaranta Pulp Mill is one of Russia's biggest pulp producers, Domostroitel is a leading furniture producers and a supplier of IKEA. Arkhangelsk Plywood Mill is one of the biggest plywood producers in Russia. Lesnoy Profil is an integrated manufacturer and the second largest forest company in Kirovskaya Oblast. GFTN-Russia is working with each of these companies as they complete baseline appraisals and develop action plans.

#### Asia Pacific

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

- *Launch of GFTN-India:* In December 2008, GFTN expanded its global reach to include the world's 4th largest economy through the launch of GFTN-India. GFTN-India is a crucial new expansion of the GFTN program. India is one of the fastest growing economies in the world, growing at more than 7% per year since 2003, and it is now the tenth-largest economy in the world. India is currently sourcing wood from countries including Malaysia, Myanmar, Ghana, the Ivory Coast, Columbia and Tanzania. At the launch of GFTN-India, ten major Indian companies—including Asha Handicrafts Association (Mumbai), Manglam Arts (Jaipur), TEDDY Exports (Madurai) and ITC Ltd (Andhra Pradesh)—who supply timber, wood products, and paper to Europe and the US, announced plans to become the first GFTN-India participants.
- *Three new participants in Indonesia:* GFTN-Indonesia welcomed three new participants PT Integra Indocabinet (Integra), PT Sinarindo Megantara (Sinarindo) and PT Palunesia Makmur (PLM). Integra is a furniture manufacture located in East Java. Integra sources certified timber from Borneo, Java and Sulawesi and exports to the US and Europe. Integra owns two forest management units in Borneo, consisting of approximately 160,000 hectares, which are in progress towards achieving FSC certification. Sinarindo together with its sister company PLM made formal commitments to responsible forest management by joining GFTN-Indonesia earlier this year. Sima exports their custom bedroom, dining and home office furniture to leading US retailers, such as Ashley Furniture, Rooms To Go, Broyhill Furniture and Lexington Home Brands. Sinarindo sources 90% of its raw materials from local community forests providing a strong opportunity to link community forest management with international markets.
- *One new participant in China:* In November 2008, GFTN-China announced that leading Chinese flooring company Power Dekor Group Co. Ltd., became the newest participant of GFTN-China. Founded in 1995, Power Dekor has become the largest wood flooring enterprise in China, with products that include three-layer and multi-layer solid wood flooring. Power Dekor sources from multiple countries including Indonesia and

	<p>exports to Europe, the US, Russia and Korea.</p> <ul style="list-style-type: none"> <li>• <i>Three new applicants in China:</i> GFTN-China is working with three new applicants: Shenzhen Royal Garden Furniture Manufacturing Co., Ltd, Jiaxing Layo Wood Industry Co., and Hangzhou Dazhuang Floor Co. Ltd. Shenzhen Royal Garden Furniture produces indoor and outdoor garden furniture. Jiaxing Layo is a engineered flooring manufacture that exports to the US, Holland, Germany, Japan, and Canada. Hangzhou Dazhuang Floor Co. is a flooring manufacture that sources from China and multiple African countries with exports to 27 countries including Germany, US and Russia.</li> <li>• <i>One new trade applicant in Malaysia:</i> Following the encouragement from GFTN-Australia participant, Bunnings, Ta Ann - one of the largest timber companies in Sarawak- has applied for GFTN-Malaysia participation. Ta Ann manages 25,000 hectares of forest along with multiple mills that produce flooring, windows and window frames which are exported to Japan, South Korea and European countries. A baseline appraisal has been conducted for three of their mills, Ta Ann Plywood, Lik Shen Sawmill and Raplex Sawmill. An action plan will be developed according to the gaps found during the complete baseline assessment. GFTN-Malaysia anticipates completing the full baseline assessment and action plan within the next quarter.</li> </ul> <p><u>Brazil</u></p> <p><i>WWF's activities in Brazil are supported by matching funds.</i></p> <ul style="list-style-type: none"> <li>• GFTN-Brazil started a pilot project with Sinduscon/SP, the largest Brazilian construction syndicate based in Sao Paulo. The pilot project will assist 15 construction companies in adopting responsible purchasing policies. All of the companies will join GFTN-Brazil and will be audited by Imaflora/SmartWood. GFTN-Brazil will work with these companies to design and implement responsible purchasing policies. The participation of the construction sector in GFTN is essential to encourage the use of legal or certified wood. The State of Sao Paulo consumes 15% of the 16 million m<sup>3</sup> of Amazonian timber produced annually in Brazil, of which 70% is used for construction.</li> </ul>
<p>1.b. Increase organizational and technical capacity of roughly 350-400 buyers and specifiers (GFTN trade participants and applicants) of forest products to source forest products legally and responsibly. (Assuming every trade</p>	<p><u>North America</u></p> <ul style="list-style-type: none"> <li>• GFTN-NA held its first annual meeting on October 16, 2008 for GFTN-NA participants and stakeholders. More than 20 representatives from 16 companies attended to learn about GFTN and responsible forest products trade. Presentations covered topics including the amended U.S. Lacey Act, how companies can increase the market for sustainably harvested wood, how to implement a responsible purchasing program and training on credible certification.</li> <li>• GFTN-NA provided a training session for Walmart on use of the GFTN Forest Products Tracking Database and supplier questionnaires. Follow-up</li> </ul>

<p>participant has at least one training per year, GFTN expect at least 450 people will be trained annually)</p>	<p>guidance was provided as Walmart worked to input supplier questionnaires into the database. This enables Walmart to increase the transparency of its supply chain.</p> <ul style="list-style-type: none"><li>• GFTN-NA participated in Walmart's most recent Sustainable Value Network meeting in which Walmart and GFTN-NA took the opportunity to educate many of Walmart's key suppliers about responsible forest products purchasing and trade. Several of Walmart's key suppliers including Sauder, Whalen, Meadwestvaco have inquired about GFTN-NA participation since the meeting.</li><li>• GFTN-NA provided assistance to participant, Cross Island Trading Company, as they worked to understand the timber harvesting documents they were receiving from their suppliers. GFTN-NA provided guidance on the type of documents and information Cross Island needs from their suppliers to correctly identify the environmental status of the timber they receive.</li><li>• Following the Indonesia Pulp &amp; Paper Roundtable in April, GFTN-NA has sent follow up letters to companies with direct or indirect links to Asia Pulp and Paper (APP), encouraging them to end their contracts with APP. Interest and commitment has been expressed by a large office supply company to end their contracts with APP.</li></ul>
	<p><u>Europe</u></p> <p><i>WWF's activities in Europe are supported by matching funds.</i></p> <ul style="list-style-type: none"><li>• GFTN-France held a Responsible Purchasing Workshop with Castorama which was attended by 25 of Castorama's purchasers. The workshop provided training on GFTN's "Responsible Purchasing Guide" with an emphasis on products from Central Africa.</li><li>• GFTN-Central Africa Coordinator presented the progress of responsible forestry in the Congo Basin to participants, applicants, and additional stakeholders at both the launch of GFTN-Iberia and re-launch of GFTN-France. While France, Spain and Portugal import more than 40 per cent of Congo Basin timber, the presentation by the GFTN-Central Africa coordinator highlighted the collaboration and networking opportunities between GFTN-Iberia and GFTN-France in order to directly influence trade and forestry practices in the Congo Basin.</li></ul>
	<p><u>Asia Pacific</u></p> <p><i>WWF's activities in Asia are supported by matching funds.</i></p> <ul style="list-style-type: none"><li>• Over 200 people from leading forest industry companies and conservation organizations attended GFTN-China's third Annual Meeting in Shanghai. The meeting provided training opportunities for attendees to gain a greater understanding of the recent amendments to the US Lacey Act, forest certification, responsible forest product trade, legality, and Chain of Custody certification.</li></ul>

	<ul style="list-style-type: none"><li>• GFTN-China has conducted seven training sessions on responsible purchasing for seven of China Flooring Holding's factories. Each training involved assessments of current performance and explanations on next steps needed to move through the stepwise approach.</li><li>• GFTN-China and FSC auditors worked with GFTN-China participant, Power Dekor, to train more than 30 Power Dekor suppliers on responsible purchasing policies and steps needed to meet Power Dekor's new policy requirements.</li><li>• GFTN-Vietnam presented the implications of the US Lacey Act for the Vietnam forest products industry at an IUCN hosted roundtable. GFTN-Vietnam shared lessons learned through their efforts to define legality; providing detailed guidelines for companies committed to establishing legality; and, GFTN's work with companies committed to credible certification. GFTN-Vietnam Participant Truong Thanh Group joined the presentation and discussed their first-hand experiences with supply chain management.</li></ul>
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**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><i>Progress on LOP Results and Targets:</i></u></p> <ul style="list-style-type: none"> <li>The area of forest under improved forest management (area of forest managed by GFTN participants) increased to <b>38</b> million hectares (Aiming at least 6.25 million hectares increase annually from Year 6 through 9).</li> <li>The area of forest under effective management as verified by credible certification (area of credibly certified forest managed by GFTN participants) increased to <b>21</b> million hectares (Aiming at least 3.06 million hectares increase annually from Year 6 through 9).</li> </ul> <div data-bbox="505 842 1474 1541" data-label="Figure"> <table border="1"> <caption>GFTN Forest Participants Data</caption> <thead> <tr> <th>Date</th> <th>Forest Participants (number)</th> <th>Area of certified hectares managed by Participants (Millions of Hectares)</th> <th>Area of forest managed by Participants (Millions of Hectares)</th> </tr> </thead> <tbody> <tr><td>Sep 03</td><td>23</td><td>10.4</td><td>10.4</td></tr> <tr><td>Mar 04</td><td>22</td><td>11.4</td><td>11.4</td></tr> <tr><td>Sep 04</td><td>22</td><td>11.4</td><td>11.4</td></tr> <tr><td>Mar 05</td><td>21</td><td>12.9</td><td>12.9</td></tr> <tr><td>Sep 05</td><td>30</td><td>12.9</td><td>12.9</td></tr> <tr><td>Mar 06</td><td>53</td><td>5.4</td><td>14.9</td></tr> <tr><td>Sep 06</td><td>59</td><td>8.2</td><td>19.8</td></tr> <tr><td>Mar 07</td><td>74</td><td>12.7</td><td>25</td></tr> <tr><td>Sep 07</td><td>78</td><td>12.8</td><td>27.2</td></tr> <tr><td>Mar 08</td><td>78</td><td>13.5</td><td>27.4</td></tr> <tr><td>July 08</td><td>82</td><td>20</td><td>27.1</td></tr> <tr><td>Mar 09</td><td>83</td><td>21</td><td>38</td></tr> </tbody> </table> </div> <p><u><i>Global Highlights</i></u></p> <ul style="list-style-type: none"> <li>The number of forest participants<sup>6</sup> in the GFTN increased to 83 companies managing over <b>38</b> million hectares of forests, of which <b>21</b> million hectares are now under effective management. At the end of Year Seven Quarter Two, there are six forest participant on suspension.</li> </ul>	Date	Forest Participants (number)	Area of certified hectares managed by Participants (Millions of Hectares)	Area of forest managed by Participants (Millions of Hectares)	Sep 03	23	10.4	10.4	Mar 04	22	11.4	11.4	Sep 04	22	11.4	11.4	Mar 05	21	12.9	12.9	Sep 05	30	12.9	12.9	Mar 06	53	5.4	14.9	Sep 06	59	8.2	19.8	Mar 07	74	12.7	25	Sep 07	78	12.8	27.2	Mar 08	78	13.5	27.4	July 08	82	20	27.1	Mar 09	83	21	38
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<sup>6</sup> Forest participant means a participant who is a forest owner or manager.

Asia

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

- *New commitments in Malaysia:* GFTN-Malaysia participant, the Sabah Forestry Department announced the decision to ensure that all the Sustainable Forest Management License Agreement holders in Sabah will need to achieve credible forest certification before 2012. This is a major enabling condition for responsible forest management in Sabah.
- *Participant progress in Indonesia:* GFTN-Indonesia worked with participant, Perum Perhutani to conduct an environmental impact assessment and social program. These two programs are critical next steps as Perum Perhutani prepares for the FSC forest management audit.
- *Two new applicants in Indonesia:* PT Suka Jaya Makmur and PT Inhutani I Simendurut managing 171,340 hectares and 50,220 hectares respectively in the globally significant Heart of Borneo area have applied for participation in GFTN-Indonesia.

Russia

- *Applicant progress in Russia:* GFTN-Russia worked with Melnichoye, a Forest Applicant managing 280,000 hectares in the Russian Far East, to develop appropriate environmental and forest management policies.
- *New forest applicant in Russia:* Altayles has applied for participation in GFTN-Russia. Altayles is one of the largest forest companies in Russia with a forest concession of 2.5 million hectares in the Altay-Sayan Priority Ecoregion. Altayles manufactures over 500,000 cubic meters per year with markets in Russia, Kazakhstan and Uzbekistan.

West Africa

- *Participant progress in Ghana:* GFTN-Ghana has prepared an Action Plan with Ayum, which manages a 101,539 hectares concession and produces 20,000 m<sup>3</sup> of dowels, flooring, sliced and rotary veneer, mouldings and sawnwood per year with exports to Europe and the United States. Over the last six months GFTN-Ghana has provided training to the Ayum certification team to assist with Action Plan implementation.

Central Africa

- GFTN-Central Africa (GFTN-CA) worked with Société d'Exploration Forestière et Agricole du Cameroun (SEFAC) to review and revise their Action Plan. SEFAC is a logging group carrying out timber operations in nearly 350,000 hectares of forest in the east province of Cameroon. The review of SEFAC's Action Plan involved three staff from GFTN-CA and four staff from SEFAC and included visits to logging operations and social activities. This training will help SEFAC in addressing minor Corrective Action Requests from the FSC certification body thereby ensuring that they maintain and increase their certified operations.

	<ul style="list-style-type: none"> <li>GFTN-CA worked with Pallisco to increase their technical capacity to work with local communities as they prepared for their FSC audit. GFTN-CA worked with Friends of the Earth (FoE) and the Center of Environment and Development (the national NGO partner of Greenpeace and FoE) to facilitate consultation and conflict resolution between Pallisco and the local communities.</li> </ul> <p><u>Latin America and Caribbean</u></p> <p><i>WWF's in-country activities in Latin America and Caribbean are supported by matching funds.</i></p> <ul style="list-style-type: none"> <li>GFTN-Peru supported Aserradero Espinoza (AESA) a forest management company with 81,000 hectares to carry out a forest inventory to address minor Corrective Action Requests.</li> <li><i>New Applicant in Bolivia:</i> Two new forest companies and one new community submitted applications to the GFTN-Bolivia.</li> </ul>
<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"> <li>GFTN-China and the Rainforest Alliance provided a joint one week training on FSC, GFTN, and responsible forest management to over 200 people from the: Jilin Forest Industry Group, Songjianghe Forest Bureau, and Lushuihe Forest Bureau- all large state forest managers in China.</li> <li>GFTN-Malaysia assisted its participant Kumpulan Pengurusan Kayu Kayan Terengganu (KPKKT) to conduct a High Conservation Value Forest (HCVF) stakeholder consultation in March. Stakeholder engagement will accompany ground surveys of KPKKT's concession areas and ensure appropriate logging practices in biologically and socially significant areas.</li> <li>GFTN-Malaysia co-organized the third annual Malaysian Forestry Dialogue in Kuala Lumpur discussing, "Strategizing Future Directions for the Timber Industry". Organized together with timber trade agencies from the government, NGOs and HSBC, over 100 participants attended to discuss the future of the country's timber industry in the face of new challenges, including environmental and social concerns. The event is one of most prominent platforms in Malaysia for industry leaders, government representatives, policymakers, financial institutions and NGOs to exchange ideas and share views on important concerns facing the timber industry.</li> </ul> <p><u>West Africa</u></p> <ul style="list-style-type: none"> <li>GFTN-Ghana has continued the community training and education seminars on Social Responsibility Agreements and communities' rights and responsibilities for local communities. The most recent of these training seminars was conducted around the Pra Anum and Bia North Tributaries</li> </ul>

	<p>Forest Reserves. These forest fringed communities include Amantia (Pra Anum), Debiso and Adjuafua (both fringing Bia North Tributories Forest Reserves). These trainings have helped to improve local peoples’ understanding of forest laws as well as their responsibility in the management and protection of forests in Ghana.</p> <ul style="list-style-type: none"> <li>• GFTN-Ghana is working with Samartex Timber &amp; Plywood to conduct HCVF assessments in the Boin Tano, Boin River and Tano Nirmire Forest reserves. The assessment will allow Samartex to adequately plan logging operations in there areas.</li> <li>• GFTN-Ghana and Kumasi Wood Cluster organized a training on Wood Conversion Efficiency and Chain-of-Custody for GFTN-Ghana participants and participants from the Ghana Forest Commission. LLL, a GFTN-Ghana participant was selected to demonstrate their CoC practices and operations during the four day training session. Participants were also taken through the FSC Controlled Wood standard and certification realities in Ghana.</li> </ul> <p><u>Russia</u></p> <ul style="list-style-type: none"> <li>• GFTN-Russia hosted an HCVF training workshop for 14 GFTN-Russia participants in Siberia. The workshop provided participants with training on identifying and protecting HCVF areas.</li> </ul> <p><u>Brazil</u></p> <p><i>WWF’s activities in Brazil are supported by matching funds.</i></p> <ul style="list-style-type: none"> <li>• GFTN-Brazil and the Tropical Forest Institute hosted a workshop on Reduced Impact Logging (RIL) techniques for Brazilian logging companies, environmental law enforcers, NGO representatives, and managers of protected areas. Held in the Municipality of Paragominas, in the state of Pará, the workshops on forest management techniques and RIL provided hands-on training in best practices that can assist companies in achieving credible certification. The RIL workshop emphasized skills in pre- and post-harvest assessment and planning; mapping; precise tree cutting; waste disposal; record keeping; construction and maintenance of ecologically sensitive roads and skid trails; and efficient and safe use of labour and machinery.</li> </ul>
<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"> <li>• <i>In Cameroon:</i> GFTN-CA participant, Pallisco, received FSC COC and Forest Management certification for 341,708 hectares. As one of the largest forest management companies in Cameroon, Pallisco’s certification contributes to FSC’s growing momentum in the Congo Basin. As an exporter to Spain, France, and the United Kingdom, Pallisco’s progress is another step in the transformation of forest products trade between</li> </ul>

	<p>Cameroon and Europe.</p> <ul style="list-style-type: none"> <li>• <i>In the Republic of the Congo:</i> GFTN-CA Participant Industrie Forestière d'Ouessou (IFO) received FSC certification for nearly 1.16 million hectares bringing the GFTN-CA portfolio of FSC certified forests to over 2 million hectares. Presently, IFO's certified forest concession is recognized as the largest area awarded FSC certification in the continent. IFO's certification is a significant step in responsible forest management in the Congo Basin.</li> </ul> <p><u>Asia</u></p> <p><i>WWF's activities in Asia are supported by matching funds.</i></p> <ul style="list-style-type: none"> <li>• <i>In Australia:</i> GFTN Australia participant, Integrated Tree Cropping (ITC), achieved FSC certification for 166,536 hectares of their sandalwood plantations. ITC's certification brings the GFTN portfolio of credibly certified forests in Australia to over 250,000 hectares.</li> <li>• <i>In China:</i> GFTN-China Forest Participants, Fujian Yong'an Forestry Group and Heilongjiang Muling Forestry Bureau, achieved credible certification of 116,217 and 230,405 hectares respectively, bringing GFTN-China's portfolio to over 1 million hectares of certified forests. GFTN-China Participants manage over 90% of all FSC certified forests in China.</li> </ul> <p><u>Russia</u></p> <ul style="list-style-type: none"> <li>• GFTN-Russia participants Investlesprom and Primorsky GOK received FSC Forest Management and Chain of Custody certificates for 965,101 and 49,018 respectively. Investlesprom manages 2.1 million hectares across Russia and exports pulp, paper, sawnwood, plywood, fibreboard and particle board to Europe, the Middle East, Central Asia and Russia. Primorsky GOK manages 96,000 hectares of forests in the Russian Far East with exports to Russia and Japan</li> <li>• FSC CoC certificates were awarded to six GFTN-Russia members - Investlesprom, Ilim Forest Center, Domostroitel, Pitkjaranta Pulp Mill, Lesnoy Profil and Primorsky GOK.</li> </ul>
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<p><b>Objective 3 - Increase efficient trade of legal forest products from well-managed forests through the development and dissemination of information that enhances decision making of willing buyers and sellers.</b></p>	
<b>Activity</b>	<b>Major Accomplishment</b>
3.a. Extend technical, policy, and market information availability via Web-based resources	<p><u>Global Highlights</u></p> <ul style="list-style-type: none"> <li>• GFTN has published its Quarterly newsletter for Fall 2008 and Winter 2009. These documents highlight the recent development of GFTN and its</li> </ul>

<p>and other venues.</p>	<p>participants around the world. Both monthly news updates as well as quarterly newsletters were distributed to over 2,000 subscribers to the GFTN website.</p> <ul style="list-style-type: none"> <li>• GFTN and the Finance Alliance for Sustainable Trade (FAST) with support from the World Bank, International Finance Corporation and Citi Foundation hosted a summit on the Trade Finance Opportunity in Washington DC. Approximately 50 people from NGOs, government, private sector, and the general public attended the event to engage in dialogue around the opportunities associated with environmentally and socially responsible financial practices, with a special emphasis on the coffee and forestry sectors. The event was available via WebEx and presentations and notes are available on the GFTN website.</li> <li>• ProForest with support from GFTN, The Nature Conservancy, USAID and the EC published, “Good practice guidelines for High Conservation Value assessments: A practical guide for practitioners and auditors”. The guide sets out better practices for the identification and management of High Conservation Values (HCVs), and HCV forests and areas. It provides detailed guidance on the HCV assessment process, and should be of particular value to HCV practitioners involved in planning and conducting such assessments, and to certifying bodies auditing HCV identification reports and management plans. Particular emphasis has been placed on requirements to maintain the robustness and credibility of the process - which should be a priority for forest or land-use managers implementing an HCV management plan.</li> </ul> <p><u>North America</u></p> <ul style="list-style-type: none"> <li>• GFTN-NA published two trade briefs for US companies purchasing forest products from the Mekong and Amur-Heilong regions. The briefs highlight the illegal and unsustainable logging and trade issues in these regions and subsequent impacts on biodiversity and local communities. The briefs also illustrate how GFTN-NA helps US and Canadian companies to obtain responsibly harvested and credibly certified forest products from these regions in order to protect the areas’ most valuable and threatened forests.</li> <li>• GFTN-NA participated in a virtual trade fair hosted by GFTN-NA participant, BlueLinx, in late March giving virtual presentations on responsible purchasing. GFTN-NA discussed how companies can build better businesses through responsible purchasing, and how consumers can support a more responsible global forest products industry.</li> <li>• GFTN-NA continues to play a major role in working collaboratively with WWF-US Government Relations and TRAFFIC on implementation of the US Lacey Act. GFTN-NA is part of the Lacey Coalition that includes US NGOs and companies that support the Act, and has engaged the US Trade Representative's office to collaborate on joint Lacey Act trainings.</li> </ul>
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Russia

- GFTN-Russia began a long-term engagement designed to increase the demand for FSC products in the Russian market by provided training on HCVF forests and certification for urban forests at the Forest Industry Conference in Vologda Russia. The presentation is the starting point of an engagement between GFTN-Russia and city forest authorities to obtain FSC certification and to promote the use of FSC products for the winter Olympic Games in 2014. The presentation will be followed up by three workshops for regional administrations in Arkhangelsk, Tomsk and Krasnoyarsk to continue the promotion of FSC for the domestic market.

Latin America and Caribbean

- GFTN-Bolivia is working with the Autonomous Municipal Government of Santa Cruz de la Sierra on their procurement practices. The Government recently issued an Administrative Resolution to establish a Responsible Purchasing Policy - to promote the use of forest products from known-legal or FSC certified sources. Since signing the Administrative Resolution, Santa Cruz has taken its first steps towards enacting its Responsible Purchasing Policy, which requires that wood products purchased by the municipality must have Certificates of Forestry Origin (CFO) proving legality. Santa Cruz's Chief Administration and Finance Officer recently reported that all municipal offices have transitioned to FSC-certified paper.
- On March 23-28 GFTN-Bolivia participate in Expoforest 2009, the Fair for Forest and Furniture, to promote the GFTN activities in Bolivia. As a result, 43 private companies and community show interest in participating GFTN.

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Brazil

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

- In March, the Sao Paulo State Government, the Municipality of São Paulo, WWF-Brazil, the wood industry and construction companies, among other institutions and organizations launched the Legal Timber Commitment. The program aims at fostering the use of legal and certified wood by the construction industry within the state of Sao Paulo. Together, the participants will develop control mechanisms to make sure that public institutions and construction companies use and demand wood from their suppliers in compliance to the environmental legislation and whenever possible, to the FSC criteria.
- WWF-Brazil held a seminar on the Brazilian Forest Code. Among the key speakers were the former environmental minister Sarney Filho and the Supreme Justice Court judge Mr. Hermann Benjamin. Among the

challenges identified were the land tenure, conflicts in the code and the weakening of the environmental movement representation in the Congress.

- GFTN-Brazil recently published the “Seja Legal Guide: Good Practices to Keep Illegal Timber Out of Your Business”, which is the Brazilian version of GFTN’s “Keep it Legal” guide.

Asia

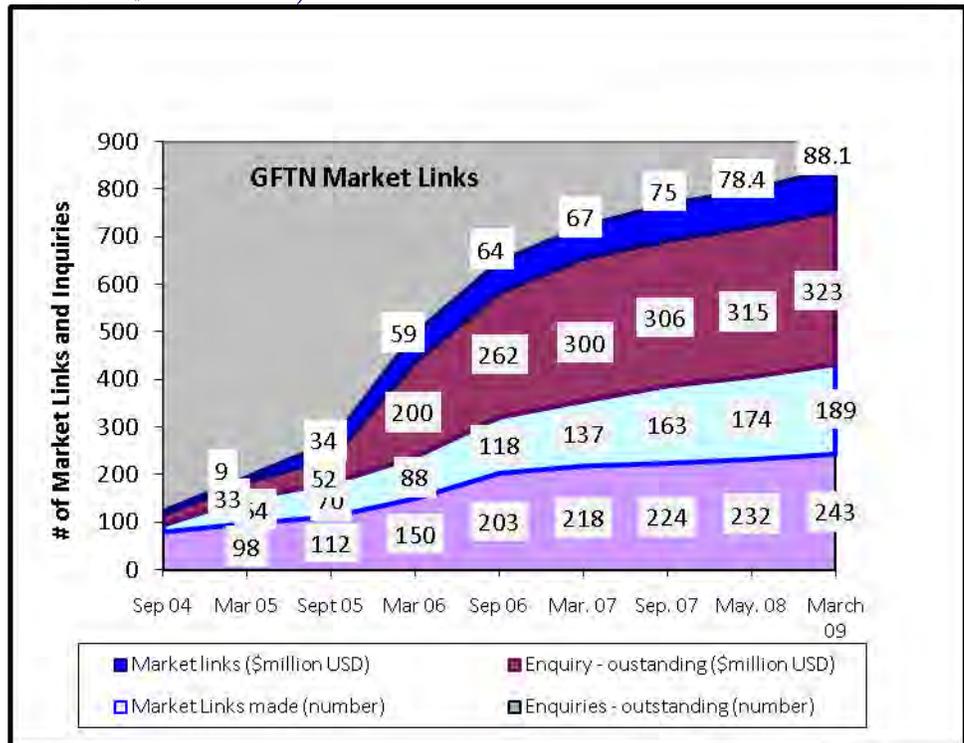
*WWF’s activities in Asia are supported by matching funds.*

- GFTN-Vietnam has distributed 500 copies of: the HCVF tool kit in English and Vietnamese; Reduced Impact Logging guidelines; “Keep It Legal”-Vietnamese version; and, FSC Group Certification Guidelines.

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.

LOP Results and Targets:

- The number of market links (trade relationships) and economic value made among the GFTN participants increased to **189** market links (or **US\$ 88.1** million).



Market links:

- As of the end of Year Seven Quarter Two, GFTN has generated **432**

enquiries from trade participants or applicants who wish to purchase more responsibly from forest participants in the network. To date **189** of these enquiries have become market links where the two organizations are now trading. These market links have an estimated value of US\$ **88.1 million**. The remaining 243 enquiries remain open for current or future GFTN participants. These enquiries have a value of in excess of US\$ 323 million and range from plywood and paper and to sawn wood and logs. This represents considerable demand for responsibly produced forest products and is a useful indicator which local offices are using to inspire new GFTN participation.

Highlight

- *Peru links:* GFTN-Peru hosted the Negocia Madera 2008 - an international business roundtable - at which GFTN-Peru Participants negotiated business deals for US\$2 million of Peruvian FSC certified wood with international buyers. At the round-table event, GFTN-Peru Participants from 10 forest concessionaires; 5 indigenous communities; and an FSC-certified group forest (composed of 12 indigenous communities); offered more than 75,000 cubic meters of certified wood from more than 50 different tree species to the international market. As a result, 152 business deals, worth an estimated US\$3.6 million, were negotiated with 22 national purchasing companies and 6 importers from - Holland, Belgium, China, Mexico and Colombia. Of the US\$3.6 million negotiated, US\$2 million was for FSC certified wood that will be delivered over the next six months.
- *China/Russia links:* A delegation of GFTN-China members visited Siberia to meet GFTN-Russia companies. An agreement to develop a multimillion dollar investment project was signed and suppliers for Chinese companies were found during the visit.
- *China/Russia enquiries:* GFTN-China and GFTN-Russia continue to build upon their success on a joint strategy to address illegal logging in the Amur-Heilong border region. In March 2009, GFTN-Russia participant, Les Export visited three GFTN-China participants to negotiate deals around flooring materials that are in-progress towards credible certification, it is expected that trading relationships between these participants will be established in the next reporting period.
- *Iberia/Indonesia links:* GFTN-Iberia participants established two market links with GFTN-Indonesia participants.
- *Vietnam/Central Africa links:* GFTN-CA facilitated a market link between A Dong Fine Art Company in Vietnam and GFTN-CA Participants selling the Tali species from Africa.
- *North America/Malaysia enquires:* GFTN-NA staff accompanied Walmart's strategic sourcing manager on visits to three GFTN-Malaysia companies (ANCO, Inspiration, TestRite) to discuss potential market links.
- *Japan/Russia enquires:* GFTN-Russia hosted a delegation from the Japan

	<p>Federation of Wood Industry for a visit to Irkutskaya Oblast - a heavily forested region in south-east Siberia – to promote the region’s capacity to supply legal or FSC-certified timber to Japan. The Japanese industry delegation went on site visits to 9 GFTN-Russia Participants in the region, highlighting the 4.5 million hectares of FSC-certified forests. As a result of the visit, a Japanese market guidebook is to be published containing information about forest companies from Irkutskaya Oblast who produce verified legal and FSC-certified forest products.</p> <ul style="list-style-type: none"><li>• <i>Iberia enquires:</i> GFTN-Iberia took 8 participants from Iberia and the UK to tour FSC cork operations to increase the market links for responsible cork producers.</li><li>• <i>Iberia/Central Africa enquires:</i> GFTN-Iberia Manager and a representative from Luvipol Puertas, a Spanish door manufacture visited GFTN-CA participants, Wijma, SEFAC, Pallisco, TRC, SCAD and IFO to discuss market links for secondary products.</li><li>• During the Expoforest 2009, GFTN-Bolivia organized Bolivia Trade Mission where GFTN-Bolivia met with 8 international companies. During the Mission, GFTN Bolivia participants made new market links, including: Ecolegno with German companies Berns and Handelsvertretung Bouchon (estimated at \$3.2 million); Maderera Ipacaraí, Tropical Andes and Promad with Fortim Trading from Belgium (estimated at \$1.5million); and SUMAPACHA Industrial with Venezuela company Importadora Kochen (estimated at \$5 million).</li></ul>
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**Annex – Leverage Table: As of March 30, 2009**

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

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PFCA- Brazil Corporate Producer Group	Companies implementing responsible forest management and supporting operation of Brazil producer group in Belem	\$ 25,000	
TBM Hardwoods	North America FTN participant	\$ 15,000	
BlueLinx	North America FTN participant, establishing a responsible procurement program, with emphasis on sourcing sustainable tropical natural hardwood flooring from Indonesia	\$ 100,000	
<i>Year 4</i>			
Johnson & Johnson	Developing a responsible purchasing policy, North America FTN applicant	\$ 25,000	
Tetra Pak	Investing in the improved management of the world's forests through GFTN, developing a responsible purchasing policy and action plan	\$ 118,000	
Home Base	Development of tool to estimate the initial investment and ongoing running costs associated with achieving and maintaining the highest international levels of independent forest certification.	\$ 100,000	
World Flooring International	North America FTN participant, establishing a responsible procurement program, with emphasis on sourcing sustainable tropical natural hardwood flooring from Latin America	\$ 5,000	
<i>Year 5</i>			
Johnson & Johnson (Second Year)	North America FTN participant, establishing a responsible procurement program, with emphasis on paper and packaging for their medical devices and consumer care products	\$ 25,000	
Camara Forestal Boliviana	Initiating management, commercialization and lumber milling activities with the Embera-Wounaan Comarca Rio Tupiza Cooperative	\$ 100,000	
Cross Island Trading Company	North America FTN participant, establishing a responsible procurement program, with emphasis on sourcing sustainable tropical natural hardwood flooring from Asia	\$ 15,000	
Cryntel	North America FTN participant, working on establishing a responsible procurement program, with emphasis on sourcing sustainable tropical natural hardwood flooring from Indonesia	\$ 5,000	
<i>Year 6</i>			
GFTN Participants	GFTN Participants, membership fees to work on establishing a responsible procurement program.	\$ 742,000	
<i>Year 7</i>			
Tetra Pak	Investing in the improved management of the world's forests through GFTN, create a Forest for Life Partnership Programme, promote High Conservation Value concept	\$ 74,000	
GFTN-NA Participants	GFTN Participants, membership fees to work on establishing a responsible procurement program.	50,000	
<i>Private Foundation/NGO</i>			
<i>Year 1-2</i>			

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WestWind Foundation	Supporting North American FTN activities	\$ 65,000	
Arthur Blank Family Foundation	Supporting North American FTN activities	\$ 100,000	
Forest Trends*	Programmatic support to the Global Alliance in the form of a global market assessment; strategic studies on critical issues to forest conservation and poverty alleviation; and dissemination of results.	\$ 4,000,000	
GreenWood/Madre Verde	Community based NGO working in Honduras developing conservation-based SME.	\$ 35,000	
<i>Year 3</i>			
Blue Moon Fund	Supporting GFTN in North America, Brazil, and China	\$ 50,000	
<i>Year 4</i>			
Citigroup Foundation	Building sustainable forest product supply chains in China, Indonesia, Malaysia, Vietnam, Brazil, Peru, Guatemala, Honduras, and Costa Rica	\$ 150,000	
Fundacion Natura (Panama)	Implement indigenous community forest management in the community of Marraganti	\$ 100,000	
<i>Year 5</i>			
Blue Moon Fund (Second Year)		\$ 150,000	
Citigroup Foundation (Second Year)	Building sustainable forest product supply chains in China, Indonesia, Malaysia, Vietnam, Brazil, Peru, Guatemala, Honduras, and Costa Rica	\$ 150,000	
Fundacion Natura	help the indigenous community of Marraganti prepare a management plan, annual harvesting plan and Environmental Impact Assessment of the 16,680 ha forest located in the Choco-Darien Ecoregion	\$ 100,000	
Citigroup Foundation (Third Year)	Supporting the kick of the GFTN Business Plan FY08-11 and building sustainable forest product supply chains in China, Indonesia, Malaysia, Vietnam, Brazil and Peru	\$ 150,000	
<i>Year 6</i>			
Citigroup Foundation (Fourth Year)	Building sustainable forest product supply chains in China, Indonesia, Malaysia, Vietnam, Brazil, Peru, Guatemala, Honduras, and Costa Rica	\$ 150,000	
IKEA	Improve Responsible Forestry Practices in Vietnam	\$ 36,500	
Homebase	Establish GFTN Operations in India	\$ 100,000	
<i>Year 7</i>			
Credit Suisse	Promote the development and implementation of forest sector financing guidelines in South East Asia	\$ 42,000	
<i>Government</i>			
<i>Year 1-2</i>			
European Union/WWF Belgium	Sustainable Forest Management – Central Africa Project contributing to Producer Group development	\$ 1,300,000	

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

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IFC SME Facility	Establishment of linkages between indigenous community forest producers and Bolivian manufacturers.	\$ 700,000	
European Union	Strengthening Indigenous Community Based Forest Enterprises (CBFEs) in priority Ecoregions in Latin America, Asia-Pacific and Africa	\$ 4,460,000	
<i>Year 5</i>			
Panamanian government (SECYT)	Improving commercialization of products woven by Embera and Wounaan women of the Rio Tupiza Cooperative	\$ 26,000	
UK Department for International Development	Working with producers in China to demonstrate best practices in the responsible procurement of products containing wood or pulp from illegal logging hotspots.	\$ 745,000	
UK Department for International Development	Pilot Forest Governance Reforms to Facilitate Legal and Sustainable Forest Management in Ghana	\$ 220,000	
<i>Year 6</i>			
<i>State Secretariat for Economic Affairs SECO (Switzerland)</i>	Linking Trade Demand and Sustainable Forest Management in the Mekong Region (LTDSFM) - funding for Laos	100,000	
<i>Year 7</i>			
European Union	ASIA Switch - Sustainable and Responsible Trade Promoted to Wood Processing SMEs through Forest and Trade Networks in China, India and Vietnam	<b>3,300,000</b>	
UK Department for International Development	Supporting development of functional Community Forest Management Enterprises with Indigenous Communities in Peru, Bolivia, Colombia, Panama and Nicaragua that reduce poverty by generating employment and earnings for communities, long-term and stable wood supply for manufacturers, and improved policy environment with Civil Society Organizations.	<b>\$106,000</b>	
AECID (Spanish Cooperation)	Support responsible forest management in the Congo Basin with emphasis on promoting credible certification, community capacity, development of criteria and guidelines for legality, and to strengthen capacity of auditors.	<b>\$421,000</b>	
<b>Leverage Total</b>		<b>\$ 37,827,453</b>	<b>\$ 361,525</b>
<i>WWF Core Fund</i>			
<i>Year 1-2</i>			
WWF-US Core Fund	FY03 (from member dues, individual donors, and other support)	\$ 22,386	
Core Fund from WWF Network	Support for the GFTN (FY03)	\$ 48,000	
<i>Year 3</i>			
WWF-US Core Fund	FY04 (from member dues, individual donors, and other support)	\$ 101,179	
Core Fund from WWF Network	Support for the GFTN (FY04)	\$ 48,000	

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<b>Year 3</b>			
WWF-US Core Fund	FY05 (from member dues, individual donors, and other support)	\$	111,830
Core Fund from WWF Network	Support for the GFTN (between FY05)	\$	48,000
<b>Year 4</b>			
WWF-US Core Fund	FY06 (from member dues, individual donors, and other support)	\$	122,433
Core Fund from WWF Network	Support for the GFTN (between FY06)	\$	48,000
<b>Year 5</b>			
WWF-US Core Fund	FY07 (from member dues, individual donors, and other support)	\$	80,231
Core Fund from WWF Network	Support for the GFTN (between FY07)	\$	48,000
<b>Year 6</b>			
<i>WWF-US Core Fund</i>	FY08 (from member dues, individual donors, and other support)		<b>\$143,774</b>
Core Fund from WWF Network	FY 08 Support for the GFTN (from member dues, individual donors, and other support)	\$	447,000
<b>Year 7</b>			
<i>WWF-US Core Fund</i>	FY09 (from member dues, individual donors, and other support)		<b>\$125,000</b>
Core Fund from WWF Network	FY 09 Support for the GFTN (from member dues, individual donors, and other support)	\$	158,000
<b>WWF Core Fund Total</b>		\$	1,551,833
			\$ -
<b>Grand Total of Investment</b>		\$	39,379,286
		\$	361,525