

Sustainable Forest Products Global Alliance
Project period October 1, 2009 – March 30, 2010

Year 8 Quarter 1/2 Report

Submitted by World Wildlife Fund
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Table of Contents

TABLE OF CONTENTS	2
INTRODUCTION.....	3
TABLE 1 – ACTIVITY STATUS FOR SFPGA YEAR 8	5
TABLE 2 – YEAR EIGHT ACCOMPLISHMENTS – OCTOBER 1, 2009 THROUGH MARCH 30, 2010.....	7
OBJECTIVE 1 - ENHANCE DEMAND FOR LEGALLY PRODUCED PRODUCTS FROM WELL-MANAGED FORESTS THROUGH IMPLEMENTATION OF RESPONSIBLE PURCHASING PRACTICES BY GLOBAL BUSINESSES AND OTHER ORGANIZATIONS.	7
OBJECTIVE 2 - INCREASE SUPPLY OF PRODUCTS LEGALLY PRODUCED FROM WELL-MANAGED FORESTS THAT GENERATE SOCIAL, ECONOMIC, AND ECOLOGICAL BENEFITS THROUGH IMPROVED FOREST MANAGEMENT.	14
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.	20
ANNEX – LEVERAGE TABLE: AS OF MARCH 30, 2010.....	26

Introduction

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

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

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

This report summarizes the accomplishments of one of the non-governmental partner—WWF—for the first half (October 1, 2009 through March 30, 2010) of the eighth 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 Eight.

- The number of trade participants¹ in the Global Forest & Trade Network (GFTN) has decreased slightly in this reporting period from 220 to **206** companies. The 206 trade participants currently trade **248** 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\$ **68** billion in forest product sales per year. At the end of Year Eight Quarter Two, there are five trade participants on suspension due to their lack of progress against their action plans. (See Figure 1a: GFTN Trade Participants Progress)
- The number of forest participants² in the GFTN reached **84** companies managing over **28** million hectares of forests, of which **20.6** million hectares are now under effective

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.

management. At the end of Year Eight Quarter Two, there is one forest participants on suspension. (See Figure 2a: GFTN Trade Participants Progress)

- In addition, a total of **60** applicants are at various stages of application process. Those applicants manage additional **4.3** million hectares of forests, and trade approximately **US\$ 1.4** billion of forest products per year.
- As of the end of Year Eight Quarter Two, GFTN has generated **447** enquiries from trade participants or applicants who wish to purchase more responsibly from forest participants in the network. To date **205** of these enquiries have become market links where the two organizations are now trading. These market links have an estimated value of **US\$ 95 million**. The remaining 242 enquiries remain open for current or future GFTN participants. These enquiries have a value of in excess of **US\$ 320 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 **2.8 million** employees and **640 community families** are currently benefiting from the GFTN participating companies.
- During the first half of the Year Eight, GFTN has trained **1521** 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, **9,300** 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 Eight.

Table 1 – Activity Status for SFPGA Year 8

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 8)	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"> 19.23% (value) 16.17% (volume) 112 million m³ 	<ul style="list-style-type: none"> 17.74% (value) 16.29% (volume) 99 million m³
<p>Activity 1.a.</p>	<p>Identify and work with roughly 350-400 strategically selected buyers and specifiers of forest products (GFTN trade participants) willing to purchase credibly certified products originating in the valuable and threatened forests and committed to implementing purchasing policies aimed at phasing out products from Unwanted sources using the stepwise approach.</p>		
<p>Activity 1.b.</p>	<p>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)</p>		
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 8)	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 		<ul style="list-style-type: none"> 27 mil. ha. 	<ul style="list-style-type: none"> 28 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.

from Year 6 through 9). <ul style="list-style-type: none"> 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"> 20 mil. ha. 	<ul style="list-style-type: none"> 20.6 mil. ha.
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 8)	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 US\$ 150 million). (Aiming at least 35 market links or US\$ 19 million increase annually from Year 6 through 9). 		<ul style="list-style-type: none"> 191 market links (or \$89.2 million). 	<ul style="list-style-type: none"> 205 market links (or \$95 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 Eight Accomplishments – October 1, 2009 through March 30, 2010

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><u>Progress on LOP Results and Targets:</u></p> <ul style="list-style-type: none"> The share of the value of globally traded forest products traded by GFTN participants reached 17.74% The share of the volume of globally traded forest products traded by GFTN participants reached 16.29% The absolute volume of credibly certified products⁴ traded by GFTN participants reached to 99 million m³, and the % of credibly certified products over total volume of forest products traded by GFTN participants shows steady progress at 38%. <div data-bbox="532 1115 1377 1696" style="border: 1px solid black; padding: 10px; margin: 10px 0;"> <p style="text-align: center;">GFTN Trade Participants</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th>Date</th> <th>Trade Participants (number)</th> <th>Value of forest products sales (Billions \$ USD)</th> </tr> </thead> <tbody> <tr> <td>Sep 03</td> <td>377</td> <td>5.9</td> </tr> <tr> <td>Sep 05</td> <td>269</td> <td>27.6</td> </tr> <tr> <td>Mar. 07</td> <td>285</td> <td>39.5</td> </tr> <tr> <td>Mar. 08</td> <td>295</td> <td>42.6</td> </tr> <tr> <td>April 09</td> <td>278</td> <td>45.5</td> </tr> <tr> <td>Dec 09</td> <td>208</td> <td>61.8</td> </tr> <tr> <td>Dec 09</td> <td>208</td> <td>61.9</td> </tr> <tr> <td>Dec 09</td> <td>208</td> <td>72</td> </tr> <tr> <td>Dec 09</td> <td>208</td> <td>67.2</td> </tr> <tr> <td>Dec 09</td> <td>208</td> <td>68</td> </tr> </tbody> </table> </div>	Date	Trade Participants (number)	Value of forest products sales (Billions \$ USD)	Sep 03	377	5.9	Sep 05	269	27.6	Mar. 07	285	39.5	Mar. 08	295	42.6	April 09	278	45.5	Dec 09	208	61.8	Dec 09	208	61.9	Dec 09	208	72	Dec 09	208	67.2	Dec 09	208	68
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⁴ This is the best estimate based on the UNECE 2009 Forest Products Market Review, which states that there are 416 million m³ of certified wood sold and that 32% of this is by FSC.

	<p><u><i>Global Highlights</i></u></p> <ul style="list-style-type: none">• The number of trade participants⁵ in the Global Forest & Trade Network (GFTN) has slightly decreased in the past six months from 220 to 208 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 248 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 2009), which represents nearly US\$ 68 billion in forest product sales per year. At the end of Year Eight Quarter Two, there are five trade participants on suspension due to their lack of progress against their action plans. <p><u><i>North America</i></u></p> <ul style="list-style-type: none">• <i>Three new participants in North America:</i> During the first half of the Year Eight, GFTN North America (GFTN-NA) accepted three new participants: Kimberly Clark, Tetra Pak US, and Hewlett Packard.• Kimberly Clark, is one of the world's leading global health and hygiene company, and the largest tissue manufacturer in the world. Kimberly-Clark had global net sales of USD 19.4 billion in 2008 and employs nearly 53,000 full-time employees around the globe. Kimberly-Clark has pledged to purchase 40 per cent of its North American tissue fiber—about 600,000 tonnes— from recycled or FSC-certified sources by 2011. They will also support WWF to develop tools to identify and monitor forests of critical importance in Sumatra to safeguard the region's biodiversity. Kimberly-Clark and WWF will also collaborate to support FSC certification for privately-owned small and medium-sized forest management units, resulting in an increase in the area of FSC-certified forests and volume of FSC-certified products worldwide.• Tetra Pak US, is one of the world's leading suppliers of food processing and packaging systems. By joining GFTN-North America, Tetra Pak further strengthens its global commitment to responsible fiber sourcing, in line with existing GFTN commitments in Sweden and the UK. In 2008, 33% of Tetra Pak's global paperboard supply was FSC certified. The company has an ambitious goal of progressively increasing the FSC-certified content in its liquid packaging board. Tetra Pak initially joined the GFTN-Sweden program in 2006 and GFTN-UK in 2007. They have now pledged to expand their efforts to North America. Through their participation in GFTN-NA, Tetra Pak will strengthen its responsible fiber sourcing and will gradually increase the
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⁵ Trade participant means a participant who is a processor, manufacturer, trader, specifier, or end-user of wood or paper products.

	<p>FSC-certified content in its packaging.</p> <ul style="list-style-type: none">• Hewlett-Packard (HP), the world’s largest technology company sells more than 280,000 tons of paper annually. HP papers are sold in office supply and retail stores throughout North America, including Wal-Mart, Office Depot, Staples, Target and FedEx Office. With assistance from GFTN-NA HP has developed and is implementing its comprehensive paper policy, with the goal of engaging with suppliers and continuously increasing their proportion of responsibly harvested and FSC-certified sources used in HP’s paper products and sold globally.• <i>Participant progress in North America:</i> GFTN-NA participant Domtar -- the world’s second largest integrated manufacturer and marketer of uncoated freesheet paper—continues to deliver on their GFTN-NA commitments. The company achieved FSC CoC certification for four more of its paper mills last spring—paving the way for Office Depot, one of its leading customers, to provide FSC-certified copy paper to the U.S. marketplace. In January 2010 Office Depot announced that its top-selling recycled content paper, Office Depot® Green™ 30% Recycled EnviroCopy™ Paper, will now also be FSC certified. <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">• <i>One new participant in Germany:</i> GFTN-Germany welcomed Faber-Castell, the internationally renowned pencil producer that produces two billion pencils a year in 14 factories worldwide. Through their participation in the GFTN-Germany, Faber-Castell set a target to source 90 per cent of their raw materials from FSC-certified forests by 2012. With a long-standing commitment to using certified materials, Faber-Castell is well on its way to meeting this goal, having already certified 84% of its product base. The company’s long-standing commitment to sustainable sourcing has already had a substantial influence on their supply chain, with one of their sawmills, PT Indo Bagus Slat (IBS) committing to certifying their operations in 2007 and joining GFTN-Indonesia last year. IBS specializes in pencil slat production—the raw material needed to produce wooden pencils—serving as a key supplier for Faber-Castell Indonesia and Germany.• <i>One new participant in the UK:</i> Home Retail Group’s subsidiary Argos, the largest furniture retailer in the UK, formalized its commitment to responsible forestry and trade by joining GFTN-UK in late 2009. Argos has committed to sourcing 100 percent of its garden furniture from sources that are FSC-certified or in progress to certification sends a clear message to producers throughout the supply chain of the substantive benefits of pursuing responsible forest management according to FSC standards.
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- *Significant participant progress in the UK:* In the recently released 2009 GFTN-UK Annual Report it was reported that in 2008, GFTN-UK participants bought 36% more wood from FSC certified sources than in 2007. They also cut the volume from unknown and potentially unsustainable sources by about 68%. Home improvement retailers Focus and Homebase bought 75% and 65% respectively of their wood from FSC-certified sources in 2008, while paper products group Kimberly-Clark sourced all virgin fibres for its EU manufacturing processes from certified suppliers. More than 75% of the timber bought by construction and property firm Bovis Lend Lease was FSC-certified or recycled, up from 64% in 2007. Six of its contractors have sought FSC certification following supplier workshops on wood sourcing. Provisional results for 2008 suggest members bought more than 9 million m³ of certified wood in 2008, a third more than in 2005. Less than 1 million m³ fell into the high-risk sources category, compared with about 3 million m³ in 2005.
- *Participant progress in Iberia:* GFTN-Iberia participant Coca-Cola Spain's new building in Madrid reflects their responsible purchasing commitments as all of the wood used in both the office's construction and furniture is FSC certified. In addition to their commitment to utilize credibly certified wood in the construction and furniture of this new building, the company is also delivering on their goal to increase the use of certified material in other aspects of their business operations. Over the last year, Coca-Cola Spain has transitioned all of the virgin fibre used in its offices to FSC-certified paper. In the same way, the company has utilized over 100 tonnes of FSC paper in its point of sale advertising in 2009. Similarly, through engaging with suppliers to start the process of achieving chain of custody certification for their facilities, Coca-Cola Spain expects that it will be able to offer soft drinks that have been labeled and packaged with FSC-certified materials later this year.
- *Chain of Custody progress in Russia:* GFTN-Russia participant Ilim Group received the first group FSC CoC certification in Russia. The certificate covered all three pulp and paper mills in Koryazhma, Bratsk and Ust-Ilimsk.

Asia Pacific

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

- *Launch of GFTN-Laos:* In November 2009, GFTN and The Forest Trust (TFT) launched the Lao Forest and Trade Platform, a collaborative partnership in Lao PDR to strengthen responsible forestry practices and links to international markets. During the launch, the first two official participants, Lao Furniture Industry Company (Lao FIC) and Burapha Agro Forestry Company were announced. Lao FIC is a hardwood furniture and decking manufacture that sources from Laos and exports approximately 10,000 m³ per year to China, Singapore, Russia, France, UK and Canada. Lao FIC worked with GFTN and TFT to become the first

	<p>company in Laos to receive FSC Chain of Custody in November 2009.</p> <ul style="list-style-type: none">• <i>One new participant in Vietnam:</i> GFTN-Vietnam grew to 11 participants with the newest addition of Adis Pte Ltd., a furniture retailer headquartered in Singapore and operating in Ho Chi Minh City, Vietnam. Adis Pte sources from Malaysia, Laos and Indonesia and exports approximately 7,000 m³ to Europe.• <i>Four new participants in China:</i> GFTN-China welcomed four new trade participants: Langfan Dongshen Wood, Wuxi Jackson, Jilin Forest Industry Jinqiao Flooring, and Hangzhou Dasso Flooring who collectively trade approximately 44,000 m³. Langfang Dongsheng is a plywood manufacturer that sources raw material from China with exports going to the US and within China. Wuxi Jackson is a flooring manufacturer that sources from Central African countries and exports to the US, Netherlands, UK and Australia. Jilin Forest Industry Jinqiao Flooring source from China and the Russian Far East with exports to Europe and within China. Hangzhou Dazhuang Floor Co. is a flooring manufacturer that sources from China, Cameroon, Gabon, and Brazil with exports to 27 countries including Germany, US and Russia.• <i>One new trade participant in Malaysia:</i> Following the encouragement from GFTN-Australia participant, Bunnings, Ta Ann - one of the largest timber companies in Sarawak- became a GFTN-Malaysia trade participant. Ta Ann manages 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, each mill has an action plan developed to correct the gaps found during the complete baseline assessment.• <i>One new trade applicant in Malaysia:</i> GFTN-Malaysia is providing assistance to Kim Hiap Seng Furniture Company to complete a baseline assessment and action plan. Kim Hiap Seng Furniture Company is an outdoor garden furniture manufacturer which sources from Malaysia and exports to the United States and the United Kingdom.• <i>Participant progress in Australia:</i> GFTN-Australia Participant, Bunnings—a leading retailer of home improvement and outdoor living products in Australia and New Zealand—is delivering on its commitment to protect this legacy by responsibly sourcing timber. Bunnings announced at the end of 2009 that with technical assistance from GFTN-Australia, they had phased out all unknown and unwanted sources of timber from their supply chain. After laying the foundation of a legally verified timber supply, the company is advancing to the next step in their commitment to responsible sourcing by engaging with their suppliers to achieve credible certification. And the company is well on its way, having already exclusively sourced FSC-certified and labeled timber for its entire line of outdoor furniture. <p><u>Brazil</u></p> <p><i>WWF's activities in Brazil are supported by matching funds.</i></p>
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	<ul style="list-style-type: none"> • <i>One new trade participant in Brazil:</i> GFTN-Brazil welcomed Barbara Engenharia e Construtora, a construction company that sources doors, support beams, mouldings, decks, flooring, and sawnwood from the Brazilian Amazon for use in their constructions projects. Barbara Engenharia e Construtora is involved in a pilot project between GFTN-Brazil and Sinduscon/SP, the largest Brazilian construction syndicate based in Sao Paulo. The pilot project assists construction companies in adopting 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 m³ of Amazonian timber produced annually in Brazil, of which 70% is used for construction. • <i>Four trade applicants in Brazil:</i> Under the same Sinduscon/SP project, four other construction companies have applied to GFTN-Brazil—Inmax Tecnologia de Construcao, Tecnisa S.A., Formas Planejadas, and Vitoria Regia Exportadora. These companies all source from the Brazilian Amazon and collectively represent US\$ 13 million in forest product sales per year. GFTN-Brazil is guiding these companies through the baseline appraisal process and developing action plans to finalize the application process.
<p>1.b. Increase organizational and technical capacity of roughly 350-400 buyers and specifiers (GFTN trade participants and applicants) of forest products to source forest products legally and responsibly. (Assuming every trade participant has at least one training per year, GFTN expect at least 450 people will be trained annually)</p>	<p><u>North America</u></p> <ul style="list-style-type: none"> • More than 40 representatives from 15 companies, government, and NGOs attended GFTN-NA’s second annual meeting on October 15, 2009. Participants and stakeholders learned 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. • GFTN-NA joined Domtar to co-host a webinar on brand strengthening through NGO partnering in November 2009. Attendees included reps from Georgia Pacific, HSBC, International Paper, Unisource, JP Morgan Chase, Cargill, the Coca Cola Company, xpedx, Staples, Weyerhaeuser, Spicers Paper and JC Penney. • GFTN-NA along with WWF’s Palm Oil commodity leader took Office Depot, Kraft, Procter & Gamble and Unilever representatives on a study tour of the impacts of irresponsible palm oil, pulp and paper operations in Riau Indonesia in February 2010. The tour focused on the impacts of APP and APRIL and the opportunities to leverage purchasing power to impact change on the ground. <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"> • GFTN-China in tandem with the Home Retail Group— a GFTN-UK

participant and leading home and general merchandise retailer in the UK with two distinctive and complementary retail brands, Argos and Homebase—held three seminars on responsible timber sourcing for the company’s suppliers last November in Shanghai, Shenzhen and Hong Kong. Home Retail Group’s Quality Assurance Compliance Manager provided specific training to the 70 suppliers from China and other parts of Asia sharing information on the company’s sourcing policies and methods of how to reach the related requirements, including how to verify legal wood, avoid risks and build up legal supply chains and the upcoming legislation concerning timber.

Asia Pacific

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

- In September 2009, GFTN-China held its Annual Meeting, gathering national and international experts to deliver presentations on legality and sustainable demand for wood products in national and international markets, Russian forest legislation and sustainable forest management, and verification of legal original and legal compliance. Presentations were given by GFTN staff from Latin America and Russia on the availability of legal and certified material, and topics such as forest carbon and reduced emissions from deforestation and degradation (REDD) were introduced. Large influential, retailers, such as Kingfisher, Lowe’s, Saint-Gobain, WalMart and Williams-Sonoma attended the annual meeting and training, along with representatives from the Environment Certification Centre, and the Environment Protection Ministry of China.
- GFTN-Indonesia held a CoC training for 22 trade participants in Surabaya, East Java in December 2009. The training increased participant’s knowledge about FSC CoC and gave practical advice on how to implement and achieve FSC COC certification.

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 slightly to 28 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) remained steady at 20 million hectares (Aiming at least 3.06 million hectares increase annually from Year 6 through 9). <div data-bbox="493 909 1349 1493" style="border: 1px solid black; padding: 5px;"> <p style="text-align: center;">GFTN Forest Participants</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Date</th> <th>Forest Participants (number)</th> <th>Area of certified hectares (Millions of Hectares)</th> <th>Area of forest managed (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>Sep 05</td> <td>22</td> <td>11.4</td> <td>11.4</td> </tr> <tr> <td>Mar. 07</td> <td>30</td> <td>12.9</td> <td>12.9</td> </tr> <tr> <td>Mar. 08</td> <td>59</td> <td>8.2</td> <td>19.8</td> </tr> <tr> <td>April 09</td> <td>74</td> <td>12.7</td> <td>25</td> </tr> <tr> <td>Dec 09</td> <td>78</td> <td>12.8</td> <td>27.2</td> </tr> <tr> <td></td> <td>78</td> <td>13.5</td> <td>27.4</td> </tr> <tr> <td></td> <td>82</td> <td>19.4</td> <td>27.1</td> </tr> <tr> <td></td> <td>83</td> <td>20</td> <td>26.6</td> </tr> <tr> <td></td> <td>90</td> <td>20</td> <td>27</td> </tr> <tr> <td></td> <td>90</td> <td>20.6</td> <td>27.3</td> </tr> <tr> <td></td> <td>84</td> <td></td> <td>28</td> </tr> </tbody> </table> </div>	Date	Forest Participants (number)	Area of certified hectares (Millions of Hectares)	Area of forest managed (Millions of Hectares)	Sep 03	23	10.4	10.4	Sep 05	22	11.4	11.4	Mar. 07	30	12.9	12.9	Mar. 08	59	8.2	19.8	April 09	74	12.7	25	Dec 09	78	12.8	27.2		78	13.5	27.4		82	19.4	27.1		83	20	26.6		90	20	27		90	20.6	27.3		84		28
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	<p><u><i>Global Highlights</i></u></p> <ul style="list-style-type: none">• The number of forest participants⁶ in the GFTN reached 84 companies managing over 28 million hectares of forests, of which 20 million hectares are now under effective management. At the end of Year Eight Quarter Two, there is one forest participant on suspension. <p><u><i>Asia</i></u></p> <p><i>WWF's activities in Asia are supported by matching funds.</i></p> <ul style="list-style-type: none">• <i>One new participant in China:</i> GFTN-China welcomed Dunhua Forest Bureau, which manages 237,355 ha of forest in the Amur-Heilong region of eastern China. Dunhua Forest Bureau is a potential supplier of timber to a number of manufacturers within GFTN-China who require certified raw materials.• <i>Participant progress in Malaysia:</i> With technical assistance from GFTN-Malaysia, the Sabah Forest Department underwent FSC pre-assessment for their Ulu Segama Malua (USM) forest reserve (280,000 ha). After the pre-assessment GFTN-Malaysia provided direct assistance to the Sabah Forest Department to revise their action plan in order to address the Corrective Action Requests and prepare for the final FSC audit.• <i>Participant progress in Malaysia:</i> GFTN-Malaysia participant, Kumpulan Pengurusan Kayu Kayan Terengganu (KPKKT) who manages 108,000 hectares in Sabah completed an HCVF field assessment, which is now being reviewed by GFTN-Malaysia. Once approved GFTN-Malaysia will use the HCVF assessment to assist KPKKT in updating their forest management plans. <p><u><i>Russia</i></u></p> <ul style="list-style-type: none">• <i>Participant progress in Russia:</i> GFTN-Russia is assisting three participants, Prizma Holz, Exportles, and Les Export who are in the final stages of preparing for certification. Prizma Holz manages 3,500 ha, Exportles manages 70,000 ha and Les Export manages 51,000 ha. <p><u><i>West Africa</i></u></p> <ul style="list-style-type: none">• <i>Participant progress in Ghana:</i> GFTN-Ghana and ProForest Ltd, are conducting HCVF assessment for all concessions under the management of Samartex, a GFTN-Ghana participant. Furthermore, Samartex has developed Timber Utilization Contract (TUC) area plans for all the 14 concessions under the company's management. Completion of the HCVF assessment and the TUCs are the final steps Samartex will take before undergoing FSC Forest Management assessment in March 2010. Samartex has already achieved FSC COC and Controlled Wood certification in 2009.
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⁶ Forest participant means a participant who is a forest owner or manager.

- *Participant progress in Ghana:* GFTN-Ghana participant, Ayum, with funding support from the International Tropical Timber Organization (ITTO) has installed an electronic Wood Tracking System using barcodes. The system tracks logs at the following points along the supply chain: 1) stock survey 2) tree felling 3) cross-cutting 4) log transportation 5) log yard intake 6) mill processing. Ayum is now working on tracing the logs to the first point of sale. This process has been incorporated into the GFTN-Ghana training on CoC procedures as Ayum works towards obtaining CoC certification.
- *Participant progress in Ghana:* In coordination with the Ghana Forestry Commission, GFTN-Ghana has finalized the preparation of 20 management plans for 20 forest reserves in the Ghana High Forest Zone. Out of these, 13 of the forest reserves are under the management of GFTN Participants and applicant. These reserves include Krokosua (John Bitar); Suhumah (John Bitar & Samartex); Tano Anhwia, Fure River (Samartex); Subri (Ayum & Ghana PrimWood); Bonsa River (Ghana PrimeWood); Nkrabia, Asukwakwa (LLL); Mpameso (Ayum), Subim (Ayum & Scanstyle); Pra-Anum (Ayum & LLL) and Pra Suhein Blk I (Coppon). Forest management plans are required by the Ghana Forestry Commission, but development of the plans has been slow. To assist with the process, GFTN-Ghana has provided technical assistance to participants to develop TUC plans that are comprehensive enough to meet the Forestry Commissions standards in addition to the FSC Principle on Management Plan.

Central Africa

- *New Applicant DRC:* SODEFOR, a Portuguese company who manages 1.8 million ha in the DRC has applied to join GFTN-CA. SODEFOR has arranged to undergo an FSC baseline audit in early 2010 and to use that audit to work with GFTN-CA to develop an action plan. GFTN-CA suggested the SODEFOR first develop an action plan to certify three FMUs totaling 397,000 ha, and then develop action plans for the remaining FMUs.
- *New Applicant Gabon:* CORAWOOD an Italian company managing three FMUs totaling 500,000 ha in Gabon has applied to join GFTN-CA. CORAWOOD will first undergo a FSC pre-audit and will work directly with the GFTN-CA manager to develop an action plan to achieve certification.
- *New Participant Cameroon:* GFTN-CA provided technical assistance to SFID for the development of their action plan after an FSC pre-audit on three of their FMUs totaling 287,000 ha. SFID manages 67,000 ha. The action plan was approved and the participation agreement was signed in October 2009.
- *Participant progress Cameroon:* GFTN-CA participant TRC completed an FSC pre-audit for one of their FMUs, covering 80,384 ha, located in Southwest Cameroon near Korup National Park. Results from the pre-audit were

	<p>incorporated into TRC's revised action plan which is now being implemented.</p> <ul style="list-style-type: none"> • <i>Participant progress Cameroon:</i> GFTN-CA participant, WIJMA underwent FSC pre-audit for two of their FMUs totaling 130,000 ha. Results from the pre-audit were incorporated into their action plan and WIJMA published the results on their website. <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"> • <i>Participant progress in Peru:</i> GFTN-Peru participant Aserradero Espinoza a forest management company with 81,000 hectares was selected by the Latin American office of the Food and Agriculture Organization (FAO) as one of 24 leaders of sustainable forest management in the region. The company was selected after a lengthy evaluation process, which included field visits to their forest concessions located in the Madre de Dios region of the Peruvian Amazon. The FAO hopes that upon publication of the case study in May that others will learn valuable insights from the company's socially and environmentally responsible forest management practices. Aserradero Espinoza, began working with GFTN-Peru in 2005 to implement new and improved techniques that reduced the environmental impact of their operations. At the same time, they addressed their production and control processes, which enabled them to achieve FSC Forest Management and Chain of Custody certification in 2007.
<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</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"> • GFTN-Malaysia hosted a National HCVF consultation workshop for a wide variety of stakeholders including representatives from the Malaysian Forestry Department, GFTN participants, Trade Association, HCVF Research Centre, universities and interested individuals. At the workshop the 700 copies of the Malaysian HCVF toolkit were distributed to the stakeholders and best practices for using the toolkit were shared. The toolkit is available in English and in the local language, Bahasa Melayu. Following the workshop personnel from the state forest departments and forest managers were invited to an upcoming HCVF field training in Sarawak where the companies who conducted the HCVF assessment using the toolkit will share their experiences and lessons learned. • GFTN-Indonesia in conjunction with Smartwood held an HCVF training session which was attended by 35 people including GFTN-Indonesia Forest and Trade

<p>be trained annually)</p>	<p>Participants, local NGOs, and community organizers. The two day training included an overview of HCVF and field visits to understand the HCV principles. This was especially useful for Trade Participants who began the workshop with limited understanding of HCVF.</p> <p><u>West Africa</u></p> <ul style="list-style-type: none"> • GFTN-Ghana has organized training on HCVs for the Ghana PrimeWood Limited and Logs & Lumber Limited timber stock survey teams. Training was provided using the Ghana HCVF tool kit and is essential as the stock survey teams are the first point of information in identifying outstanding conservation values. Preliminary information on HCVs provided by the teams serves as a baseline for more in-depth HCVF assessment of the companies' concessions areas. The training is also an important tool in increasing worker's technical capacities and understanding of certification requirements. For example, the survey team in the Logs Lumber Limited concession identified the critically endangered bare-headed rockfowl (<i>Picathartes gymnocephalus</i>). As a result of this, Logs Lumber Limited and the Zoological Society of London are collaborating to undertake further studies and to design management strategies for the species. <p><u>Central Africa</u></p> <ul style="list-style-type: none"> • GFTN-Central Africa conducted a field visit to IFO in the Congo to assess their progress since they achieved FSC certification. Included in the visit were representatives from the Congo Ministry of Forests. The delegation visited the mill, logging operations and local communities. After the visit GFTN-CA determined that it was necessary to provide further technical assistance and new goals around improving relations with the local communities. • GFTN-CA co-organized a national training workshop on CoC in the DRC for 27 participants including local NGOs, forest administration officials, local logging companies and GFTN-CA applicants. The objective of the workshop was to develop forest management technical capacity and promote timber legality. • GFTN-CA collaborated with a local NGO (PERAD) to develop a consultation framework for GFTN-CA participant, PALLISCO, and the communities around their concessions. The framework included capacity building on conflict resolution consultation. After the framework was developed GFTN-CA hosted a training workshop for senior staff members from PALLISCO, local NGOs, and community members. • GFTN-CA provided technical support to GFTN-CA participant, WIJMA, for a survey on large mammals within one of their FMUs and potential migration patterns between Korup National Park and the same FMU. The objectives of these studies were: to document the current population densities of large mammals especially those frequently targeted by poachers; map large mammals' biodiversity hotspots to identify High
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Value Conservation Sites within the FMU; and determine the spatial distribution of flagship species and their migration patterns between Korup National Park and the FMU. The outcomes of the study will be used for HCVF assessments and proper forest management planning.

- GFTN-CA organized a regional training workshop on conflict resolution in forest management for GFTN-CA participants and applicants to develop technical capacities to understand and resolve potential conflicts with local communities or workers. The workshop was held in December and was attended by 23 people. The event was later broadcast by a private network both in Cameroon and also the extended region.

Russia

- GFTN-Russia held workshop for GFTN participants on how to identify and protect HCVF and biodiversity. During the workshop technical assistance was provided to GFTN-Russia participants Segezha and Lesosibirsk Sawmill who are both preparing to undergo FSC audits.
- GFTN-Russia is working with their participant Sorvizhi-Les to develop a case study on best practices for multiple uses of FSC forests, including timber and non-timber forest products, complex processing, ensuring and supporting livelihood, and ecotourism.
- GFTN-Russia hosted a study tour for GFTN participants to Finland to understand and learn from the Finnish experience in sustainable forest management.

Brazil

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

- GFTN-Brazil has developed and held a capacity building course on low-impact forest roads and infrastructure in October 2009. The training was offered to GFTN Participants and delivered in collaboration with the US Forest Service and the Tropical Forest Institute. The next training will be held in June after the rainy season.
- GFTN-Brazil is working with the Brazilian Forest Service to help companies prepare to apply for forest concessions. The Brazilian Forest Service identified the preparation as important after discovering that most of the small and medium Amazonian logging companies do not have the technical capacity to prepare the bidding proposals for a concession. GFTN-Brazil completed the training format and will begin holding the trainings in state capitals, or major regional cities over the next four months. The three-day trainings will include two major modules on forest legislation and the bidding process.

<p>2.c. Increase the area of forest under effective management as verified by credible certification.</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"> • GFTN-China participant Dunhua Forest Bureau which manages 237,355 ha of forest in the Amur-Heilong region achieved FSC Forest Management certification for 171,000 hectares of forest in October 2009. Danhua supplies the domestic market and can now meet the demands of other GFTN-China participants who require credibly certified raw materials. <p><u>Latin America and the 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"> • GFTN-Peru Participants CFA Inforhuay and Transforestal both received FSC CoC certification. CFA Inforhuay is a forest and trade participant that manages 180,000 ha and produces sawnwood for export to the US, China and Europe. Transforestal produces sawnwood and flooring for export to Europe, Asia and North America.
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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 published its Quarterly newsletter for Fall 2009 and Winter 2010. GFTN has also released the 2009 Annual report which is available on the GFTN website. These documents highlight the recent development of GFTN and its participants around the world. The Quarterly, Annual Report and monthly news updates are distributed to over 2,000 subscribers to the GFTN website. • GFTN has published 5 case studies examining best practices in the Congo Basin, Russia, United Kingdom, United States, and Malaysia. These are available on the GFTN website. • WWF and the GFTN attended the 13th World Forestry Congress, a week-long dialogue held October 18-23, 2009 in Buenos Aires. Organized by the government of Argentina in collaboration with the Forestry Department of the United Nations Food and Agriculture Organization, the event attracted 4,500 participants from over 160 countries. WWF and GFTN hosted a booth that received about 2,000 visitors. The work of SFPGA was featured in a side event presented by Alicia Grimmes of

	<p>USAID.</p> <p><u>North America</u></p> <ul style="list-style-type: none"> • The GFTN-NA manager was part of a 16-person panel at the ECOongress and presented on legal and sustainable wood sourcing in January 2010. The Sustainable Furnishings Council and World Market Center organized the ECOongress, in cooperation with the GFTN, Rainforest Alliance, Forest Stewardship Council and numerous other leading governmental, environmental, academic and trade organizations. Presentations discussed the US Lacey Act, tools, solutions and best practices to understand and comply with the amendment. <p><u>Central Africa</u></p> <ul style="list-style-type: none"> • GFTN-CA assisted with the organization of FSC National Initiative General Assembly to establish the Gabon FSC National Initiative institutional framework. This meeting established a National Executive Board and Board of Directors and received official recognition by the Gabon government. • GFTN-CA provided technical support to the Central African Republic (CAR) government as they prepared for the FLEGT VPA negotiations. This involved the organization of three consultation workshops with local NGOs, public administration officials and representatives from the private forestry sector. The results from the stakeholder workshops were included in the National Workshop to develop the National Standard for legality verification of timber. Importantly, the legality standard developed by WWF and TRAFFIC under the EC funded project was the basis of the National Standard and will be used in the negotiation between CAR and the EU. • GFTN-CA organized a South – South experience sharing meeting for five senior officials from the CAR government to Cameroon to learn about Cameroon’s experience with responsible forest management and credible certification. Participants included the Cabinet Director of Ministry in charge of forestry, Director of Forest Funds, Director of Forest Exploitation and Timber Transformation, and the Deputy Coordinator of National Project in charge of the development forest management plans. These officials met with members of the Cameroon forest administration, GFTN-CA participants TRC and Pallisco, communities around certified concessions and a community forest enterprise. The delegates also met with regional and international organizations based in Yaoundé (COMIFAC, WWF and IUCN). The delegation acknowledged the high importance of FSC certification in the promotion of responsible forestry and promised to provide political support for the promotion of forest certification in their country. • The GFTN-CA Manager in the DRC provided support during the development of the National Guide and Standard for the Social Responsibility Handbook (Cahier des Charges) which governs best practices for negotiations between logging companies and local
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communities. This involved the organization of a three days national workshop that brought together 80 participants from the public administration, the private forestry sector and civil society. The handbook was then drafted and included a field test with four forest concessions managed by Soderfor, a GFTN-CA applicant.

- The GFTN-CA Manager in the Congo facilitated the stakeholder consultation workshop to discuss the draft of the FSC Regional Standard in the Congo Basin that was produced by the FSC-Regional Working Group for the Congo Basin. This workshop allowed the nomination of Members of the National Forum and the National Working Group (institutions and national organizations) for the FSC-DRC National Initiative as well as observers.
- The President of Congo-Brazzaville announced that all logging concessions in Congo must be certified before the end of 2014. Discussion is underway in this country to examine the possibility of including credible certification in the national forestry law. GFTN-CA is further involved in determining how this will be implemented into the forestry laws.

Brazil

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

- The state of São Paulo has increased its commitment to eliminate illegal logging. In October 2009, the state approved a law that cancels the registry (or commercial identification) of any company found to be trading in illegal wood. Additionally the city of São Paulo approved a law mandating that all bidding processes require wood product legality checks. These actions build off of the 2009 São Paulo voluntary agreement, “Legal Timber Commitment” that committed dozens of companies operating within the state of São Paulo, plus representatives from the government to buy wood only from legal or certified sources.
- GFTN-Brazil is now member of the São Paulo Technical Forestry Chamber. The chamber is the official group responsible in steering the direction of the São Paulo state efforts to guarantee the adequate supply of wood for its industries and also to ensure the conservation of natural forests. The chamber can propose new legislation, law enforcement activities and help wood retailers and wholesalers to increase their awareness of legality and sustainability issues.
- GFTN-Brazil is now working in partnership with Fundação Getúlio Vargas (FGV). FGV has a program called Friends of the Amazon Network that helps municipalities and states to develop responsible purchasing policies for wood products. GFTN-Brazil and FGV will work collaboratively to help governments and private businesses to implement such policies and phase out unwanted and unknown wood.

Asia

	<p><i>WWF's activities in Asia are supported by matching funds.</i></p> <ul style="list-style-type: none"> GFTN-Malaysia has distributed 700 copies of the Malaysian HCVF tool kit in English and Bahasa Melayu. 																																								
<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 credible certifications and/or to ensure their existing buyers' commitment for a continuing business while meeting their requirements.</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 189 market links (or US\$ 88.1 million). <div data-bbox="521 581 1398 1178" data-label="Figure"> <table border="1"> <caption>GFTN Market Links Data</caption> <thead> <tr> <th>Period</th> <th>Enquiries - Outstanding (number)</th> <th>Market Links Made (number)</th> <th>Enquiries - Outstanding (US\$ million)</th> <th>Market Links (US\$ million)</th> </tr> </thead> <tbody> <tr> <td>Mar 04</td> <td>150</td> <td>10</td> <td>60</td> <td>15</td> </tr> <tr> <td>Mar 05</td> <td>98</td> <td>33</td> <td>54</td> <td>9</td> </tr> <tr> <td>Mar 06</td> <td>150</td> <td>88</td> <td>200</td> <td>59</td> </tr> <tr> <td>Mar 07</td> <td>218</td> <td>137</td> <td>300</td> <td>67</td> </tr> <tr> <td>May 08</td> <td>232</td> <td>174</td> <td>315</td> <td>78.4</td> </tr> <tr> <td>April 09</td> <td>243</td> <td>189</td> <td>323</td> <td>88.1</td> </tr> <tr> <td>Apr-10</td> <td>242</td> <td>205</td> <td>320</td> <td>95</td> </tr> </tbody> </table> </div> <p><u>Market links:</u></p> <ul style="list-style-type: none"> As of the end of Year Eight Quarter Two, GFTN has generated 447 enquiries from trade participants or applicants who wish to purchase more responsibly from forest participants in the network. To date 205 of these enquiries have become market links where the two organizations are now trading. These market links have an estimated value of US\$ 95 million. The remaining 242 enquiries remain open for current or future GFTN participants. These enquiries have a value of in excess of US\$ 320 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. (See Figure 3b. GFTN Market Links Progress) <p><u>Highlight</u></p> <ul style="list-style-type: none"> <i>Bolivia/ Dutch links:</i> The GFTN-Bolivia has hosted the Dutch company Precious Woods Europe, a GFTN Participant for a business mission that included business meetings and guided technical visits in the cities of Santa Cruz, La Paz, Cochabamba and Riberalta, meeting with GFTN-Bolivia 	Period	Enquiries - Outstanding (number)	Market Links Made (number)	Enquiries - Outstanding (US\$ million)	Market Links (US\$ million)	Mar 04	150	10	60	15	Mar 05	98	33	54	9	Mar 06	150	88	200	59	Mar 07	218	137	300	67	May 08	232	174	315	78.4	April 09	243	189	323	88.1	Apr-10	242	205	320	95
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	<p>participants and applicants (Ecolegno, Promad, La Chonta Wood, Ipacarái, San Juan Pando, Bolital and San Luis). As a result of this visit, the Dutch company has committed to buying several containers of sawn timber and decking of at least eight tree species that are FSC certified.</p> <ul style="list-style-type: none"> • <i>Bolivia inquiries and links:</i> GFTN-Bolivia participated in the 2009 ExpoForest – International Fair for the Forest, Wood and Technology in Santa Cruz de la Sierra, Bolivia. This event offered 22 visiting international buyers the opportunity to meet with seven GFTN-Bolivia participant companies. This year proved to be GFTN-Bolivia’s most successful Business Mission to date, resulting in potential market links worth an estimated value of US\$12 million between GFTN-Bolivia participants and visiting companies. • <i>Bolivia community inquiries:</i> GFTN-Bolivia, WWF Bolivia, Rainforest Alliance and the Bolivian Forestry Chamber (CFB), and the Bolivian Council for Voluntary Forest Certification (CFV), organized the 4th Community Business Meeting for the Wood Industry, on Friday November 6th 2010 in Santa Cruz, Bolivia. The meeting was geared towards promoting community business at the national level between forest producers and buyers of tropical wood, as well as producers of doors, flooring, decking, boards and sawn timber, among others. Prior to the meeting, CFV and WWF worked with Chiquitano, Guarayo and Ayoreo community members to strengthen their negotiation skills and promote the group certification model, a scheme implemented by a mixed group of forest producers. • <i>Latin American and the Caribbean inquiries:</i> The GFTN-LAC representatives presented FSC forest products from their respective participants during 60 business meetings at the first Business Roundtable held within the World Forestry Congress, organized by the UN Food and Agriculture Organization on October 21 in Buenos Aires, Argentina. Companies from Germany, the Netherlands, Singapore, Mexico, Brazil and Argentina, who are seeking credibly certified sources of hardwoods native to Latin America, were particularly interested in seeking out GFTN participants. Over 200 businesses from 31 countries participated in the Roundtable, creating business intentions of US\$36 million from the roughly 900 meetings that occurred during the day-long event. GFTN-LAC actively participated in the roundtable, presenting the certified product offering from the national GFTN programs in Bolivia and Peru and elsewhere throughout Latin America. • <i>Iberia/UK links:</i> GFTN-Iberia participant Amorim created market links with GFTN-UK participants Sainsbury, Co-operative, and GFTN-Iberia participant Leroy Merlin. GFTN-Iberia participants Listor and Granorte created market links for FSC certified cork flooring. • <i>Russia/China links:</i> A GFTN-China participant operating in Siberia finalized an investment project in Irkutskaya Oblast and increased market links with GFTN-Russian participants selling FSC certified products from the region.
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- *France/Russia link:* GFTN-France participant Castorama created a market link with a GFTN-Russia participants supplying FSC certified products.
- *Vietnam/Laos inquiries:* GFTN-Vietnam participant Scancom generated two market inquiries for GFTN-Laos participant LP.
- *Peru/Holland links:* Market links were created between GFTN-Peru participant Espinoza and GFTN-Netherlands participant Precious Wood. From this market link Espinoza will send 50% of their production to Precious Woods over the next six months.
- *Peru/Peru supply chain market links:* GFTN-Peru participant Aider, an indigenous forest management community is selling to GFTN-Peru participant Ebaleco who is a processor and who is selling to a GFTN-Peru applicant Peru Green Design which manufactures furniture for sale to Europe.
- *Malaysia/North America inquiries:* GFTN-North America participant William Sonoma created a market inquiry for indoor furniture and sawn timber to GFTN-Malaysia participants Test Rite and Inspiration Furniture SB.
- *Indonesia/North America inquiries:* GFTN-Indonesia together with GFTN-NA facilitated market inquiries and a supplier visit from GFTN-NA participant William Sonoma to Java to visit a community forest in Gunung Kidul, Yogyakarta and three factories that are GFTN-Indonesia trade participants.
- *Brazil/United Kingdom links:* GFTN-Brazil participant Triunfo is now supplying only FSC plywood to Finnforest who is a supplier to multiple GFTN-UK participants.

Annex – Leverage Table: As of March 30, 2010

SFPGA: Leverage Table by WWF

(As of March 30, 2010)

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	\$ 6,100,000	

Sustainable Forest Products Global Alliance Year 8 Quarter 1/2 Report
 October 1, 2009 – March 30, 2010

	South East Asia.		
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
Year 4			
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
Year 5			
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
Year 6			
GFTN Participants	GFTN Participants, membership fees to work on establishing a responsible procurement program.	\$	742,000
Year 7			
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

Sustainable Forest Products Global Alliance Year 8 Quarter 1/2 Report
 October 1, 2009 – March 30, 2010

<i>Year 8</i>			
BlueLinx	GFTN Participants, membership fees to work on establishing a responsible procurement program.	\$	50,000
Cross Island Trading Company	GFTN Participants, membership fees covering past two years to work on establishing a responsible procurement program.	\$	10,000
Hewlett Packard	GFTN Participants, membership fees to work on establishing a responsible procurement program.	\$	35,000
Johnson & Johnson	GFTN Participants, membership fees to work on establishing a responsible procurement program.	\$	8,750
Kimberly-Clark	GFTN Participants, membership fees to work on establishing a responsible procurement program.	\$	80,000
Tetra Pak	GFTN Participants, membership fees to work on establishing a responsible procurement program.	\$	10,000
<i>Private Foundation/NGO</i>			
<i>Year 1-2</i>			
WestWind Foundation	Supporting North American FTN activities	\$	65,000
Arthur Blank Family Foundation	Supporting North American FTN activities	\$	100,000
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 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>			

Sustainable Forest Products Global Alliance Year 8 Quarter 1/2 Report
 October 1, 2009 – March 30, 2010

Citigroup Foundation (Fourth Year)	Building sustainable forest product supply chains in China, Indonesia, Malaysia, Vietnam, Brazil, Peru, Guatemala, Honduras, and Costa Rica	\$ 150,000	
IKEA	Improve Responsible Forestry Practices in Vietnam	\$ 36,500	
Homebase	Establish GFTN Operations in India	\$ 100,000	
<i>Year 7</i>			
Citigroup Foundation (Fifth Year)	Building sustainable forest product supply chains in China, Indonesia, Malaysia, Vietnam, Brazil, Peru, Guatemala, Honduras, and Costa Rica	\$ 75,000	
Credit Suisse	Promote the development and implementation of forest sector financing guidelines in South East Asia	\$ 42,000	
<i>Year 8</i>			
<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	
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	

Sustainable Forest Products Global Alliance Year 8 Quarter 1/2 Report
 October 1, 2009 – March 30, 2010

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	
IFC SME Facility	Establishment of linkages between indigenous community forest producers and Bolivian manufacturers.	\$ 700,000	
European Union	Strengthening Indigenous Community Based Forest Enterprises (CBFEs) in priority Ecoregions in Latin America, Asia-Pacific and Africa	\$ 4,460,000	
<i>Year 5</i>			
Panamanian government (SECYT)	Improving commercialization of products woven by Embera and Wounaan women of the Rio Tupiza Cooperative	\$ 26,000	
UK Department for International Development	Working with producers in China to demonstrate best practices in the responsible procurement of products containing wood or pulp from illegal logging hotspots.	\$ 745,000	
UK Department for International Development	Pilot Forest Governance Reforms to Facilitate Legal and Sustainable Forest Management in Ghana	\$ 220,000	
<i>Year 6</i>			
<i>State Secretariat for Economic Affairs SECO (Switzerland)</i>	Linking Trade Demand and Sustainable Forest Management in the Mekong Region (LTDSFM) - funding for Laos	\$ 100,000	
<i>Year 7</i>			
European Union	ASIA Switch - Sustainable and Responsible Trade Promoted to Wood Processing SMEs through Forest and Trade Networks in China, India and Vietnam	\$ 3,300,000	

Sustainable Forest Products Global Alliance Year 8 Quarter 1/2 Report
 October 1, 2009 – March 30, 2010

UK Department for International Development	Supporting development of functional Community Forest Management Enterprises with Indigenous Communities in Peru, Bolivia, Colombia, Panama and Nicaragua that reduce poverty by generating employment and earnings for communities, long-term and stable wood supply for manufacturers, and improved policy environment with Civil Society Organizations.	\$ 106,000	
Swedish International Cooperation Agency (SIDA)	Supporting development of Responsible Forest Finance needs assessments, and strategy setting.	\$ 72,000	
<i>Year 8</i>			
Leverage Total		\$ 38,168,203	\$ 361,525
<i>WWF Core Fund</i>			
<i>Year 1-2</i>			
WWF-US Core Fund	FY03 (from member dues, individual donors, and other support)	\$ 22,386	
Core Fund from WWF Network	Support for the GFTN (FY03)	\$ 48,000	
<i>Year 3</i>			
WWF-US Core Fund	FY04 (from member dues, individual donors, and other support)	\$ 101,179	
Core Fund from WWF Network	Support for the GFTN (FY04)	\$ 48,000	
<i>Year 3</i>			
WWF-US Core Fund	FY05 (from member dues, individual donors, and other support)	\$ 111,830	
Core Fund from WWF Network	Support for the GFTN (between FY05)	\$ 48,000	
<i>Year 4</i>			
WWF-US Core Fund	FY06 (from member dues, individual donors, and other support)	\$ 122,433	
Core Fund from WWF Network	Support for the GFTN (between FY06)	\$ 48,000	
<i>Year 5</i>			
WWF-US Core Fund	FY07 (from member dues, individual donors, and other support)	\$ 80,231	
Core Fund from WWF Network	Support for the GFTN (between FY07)	\$ 48,000	
<i>Year 6</i>			
<i>WWF-US Core Fund</i>	FY08 (from member dues, individual donors, and other support)	\$ 143,774	
Core Fund from WWF Network	FY 08 Support for the GFTN (from member dues, individual donors, and other support)	\$ 447,000	
<i>Year 7</i>			
<i>WWF-US Core Fund</i>	FY09 (from member dues, individual donors, and other support)	\$ 125,000	

Sustainable Forest Products Global Alliance Year 8 Quarter 1/2 Report
 October 1, 2009 – March 30, 2010

Core Fund from WWF Network	FY 09 Support for the GFTN (from member dues, individual donors, and other support)	\$ 158,000	
<i>Year 8</i>			
<i>WWF-US Core Fund</i>	FY10 (from member dues, individual donors, and other support)	\$ 81,307	
Core Fund from WWF Network	FY 10 Support for the GFTN (from member dues, individual donors, and other support)	\$ 157,000	
WWF Core Fund Total		\$ 1,551,833	\$ -
Grand Total of Investment		\$ 39,720,036	\$ 361,525