



July 2008

Newsletter

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Cover Photo: Mixed forest Proposed Borjomi National Park Eastern Caucasus Georgia – © Hartmut Jungius / WWF-Canon.



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1 GFTN Special Announcement

Dear GFTN Partners and Friends,


I am delighted to announce that Richard McLellan has been appointed as the new Head of WWF's Global Forest & Trade Network (GFTN). Richard will be based at WWF-International in Gland, Switzerland.

Richard has been with WWF for over eight years, most recently as WWF-Australia's National Land Program Manager. He has also worked for WWF in Cambodia, where he managed a large landscape conservation program in the Lower Mekong Dry Forests. Prior to joining WWF, Richard ran his own consultancy, specializing in off-reserve conservation of native vegetation. He brings a strong track record as a skilled manager as well as technical expert in natural resource management and ecology.

I would also like to take this opportunity to extend a big thank you to Bruce Cabarle, who has served as the Interim Head of GFTN for the last year and a half. Bruce will return to his "day job" as Managing Director of the Global Forest Program at WWF-US while he continues to support Richard to ensure a smooth transition.

Thanks to Bruce's leadership, GFTN now has a comprehensive strategic plan, the support of an enthusiastic WWF "shareholders" group, a globally harmonized set of company participation rules, and internal performance indicators. I am sure Richard will value this solid foundation as he takes over.

I sincerely appreciate your continuous support for the GFTN. Please join me in welcoming Richard and wishing him success in his new role.



Rod Taylor
Director, Forests
WWF-International

2 Global Forest & Trade Network News

GFTN: Building a Global Foundation

Successfully revealing the current four-year Business Plan and launching the Shareholder's Group was only a preview of GFTN's global vision in action. Building on this momentum, revisions have been made to the rules that govern GFTN participant companies. The revitalization of this core policy will enable GFTN to enhance its role in driving the transformation of the global forest products market.

"The GFTN participation rules define the fundamental obligations and benefits between our partners and WWF in our quest to eliminate illegal logging and increase the trade in credibly certified forest products," said Bruce Cabarle, former Head of GFTN. "This latest version of the rules incorporates best practices and lessons learned across 250+ partnerships established during the first GFTN business plan. It will also ensure that we remain current with the latest practices in the field of performance-based reporting and transparency. We will begin to issue periodic guidance notes to frontline managers as we gain experience with the revised set of rules. We will conduct an evaluation at the mid-term of this current business cycle to ensure that we continue to learn and build best practices into our management system. This provides a solid foundation upon which the GFTN can grow toward its goal of doubling the size of its portfolio by 2011."

The participation rules are a crucial component of the GFTN program as they define the policy framework for participant companies. The revisions were made to better clarify the expectations and mandates of participants and are expected to enable GFTN to increase the transparency of its programmatic engagement with committed companies. The improved rules incorporate a global programmatic perspective with field input reflecting the present-day realities of participant companies around the world.

These global participation rules, part of the external programmatic framework, will solidify the foundation of GFTN's results-driven program. This integrated framework is built of the Shareholder's Group, as its governance structure; a new global strategy, as its roadmap; and a Performance Monitoring Index (PMI), as its guide for internal operations. The rules of participation have been harmonized and built into this programmatic framework taking GFTN to its next step in building a new global foundation.

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3 GFTN Member News Stories

Cultivating Sustainable Forest Management in the Heart of Borneo

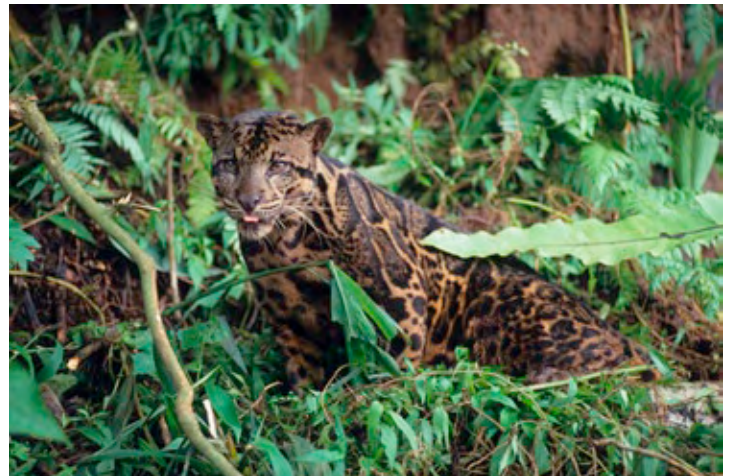
In May, GFTN-Indonesia, in collaboration with the Association of Forest Concessionaires Indonesia (APHI), hosted a half-day workshop for forest sites in the Borneo area. Entitled "Socialization of Sustainable Forest Management Practices Programs in Heart of Borneo Areas", the workshop focused on greening local businesses and revitalizing their sense of responsibility in sustaining Borneo's forest.

Learning about the benefits and challenges of the process from a company perspective allowed those in attendance to better understand the business case for pursuing credible certification. Representatives of GFTN-Indonesia participant PT Sari Bumi Kusuma (SBK) presented their company's firsthand experience with the certification process. Company Director Nana Suparna said, "WWF's work in Borneo needs to be supported so that the remaining rain forest will be well-preserved".

The willingness of companies to participate in a sustainable forest management workshop shows a significant change in attitude toward conservation efforts in the region. GFTN-Indonesia will continue its education of companies to pursue responsible forest management, trade and credible certification. Director of WWF-Indonesia's Forest Program, Ian Kosasih stated, "The aim of forest certification is to sustain the forests, which creates important enabling conditions for businesses to operate under. So as companies from around the globe become

more aware of the benefits of sustaining the remaining tropical rain forest and implementing green business practices through credible certification and responsible forest management, illegal logging traffic will decrease. This levels the playing field for committed companies in the Heart of Borneo."

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East Meets West for GFTN Exchange

East and West, Left and Right, Up and Down are all seeming opposites until a connection is made of their complementary and symbiotic nature; the same is true in the relationship between Russia and Brazil. The Russian Far East is a vast expanse of boreal forest providing a home for diverse animal species including tigers, Amur leopards and Himalayan bears. The Brazilian Amazon is a dense tropical rain forest sheltering various primate and aquatic species. Russia, with 19.6 million hectares of certified forest area holds approximately 22% of the world's forests and is the second country in the FSC ranking. Brazil holds the 5th position in the FSC ranking, with 6.2 million hectares of certified forests. "In Brazil, the biggest areas of managed forests reach up to 500 thousand hectares. In Russia, there are areas of up to 4 million hectares being managed", acknowledges WWF Forester, Sergio Safe. What connects these two different locales is the global forest products industry and GFTN's presence in both regions.

In April, a study mission was made to Brazil by a group of eight participant companies of GFTN-Russia. The Russian group was hosted by WWF-Brazil's staff and led by Forester Sergio Safe as they shared lessons

learned in achieving credible certification. "They have, just like us, many problems with illegality, land tenure and absence of the state in distant areas. Both forest sectors have similar bottlenecks to solve", stated Mr. Safe in support of the Russian mission to Brazil.

Tackling similar issues, delegates from both Russia and Brazil found this mission a success. Inspired debate and discussion led to not only a greater understanding of credible certification in each country, but also established new market links between GFTN participant companies. After meeting at the 3rd Brazilian Forest Stewardship Council (FSC) trade fair, the group travelled to Telemaco Borba forest district, Brazil's largest FSC-certified area hosted by Klabin industry. Engaging in further dialogue, participants were able to address boundaries posed to credible certification in their own countries. The exchange of ideas between Russia and Brazil not only encouraged understanding between these two seemingly different countries, but also secured responsible business relationships through the GFTN.

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Using Scientific Methods to Combat Illegal Logging

WWF-Germany and the laboratory Agroisolab, in cooperation with the German von Thünen Institut, have recently announced the launch of an innovative research project to scientifically determine the origin of certain timber species. Supported by Deutsche Bundesstiftung Umwelt (DBU), one of Europe's largest foundations assisting innovative and exemplary environmental projects, the research is based on reading the "isotope fingerprints" found in all organic material. As the project is still in an early phase with a focus on identifying the origins of teak and mahogany, WWF-Germany is extending an invitation to companies with mahogany or teak FMUs to take part of this innovative research project.

Set against the backdrop of the EU Action Plan for Forest Law Enforcement, Governance and Trade (FLEGT), (the European Union's response to the global problem of illegal logging and the international trade in illegally harvested timber) and the recently passed Lacey Act in the U.S., (a new law making it illegal to import illegal wood) the isotope analysis method of source identification could act as a scientific supplement to verifying legality. Using primarily oxygen, hydrogen, nitrogen and sulphur (among other elements) links are made to soil and the global water cycle which identify the "isotope fingerprint" or parameters of a specific region.

Although this is clearly no substitute for credible certification, these types of scientific studies can uniquely complement the proof of basic legality as companies move toward verifiable sources. The method does not prove legality but can confirm the knowledge of origin. This new method of combating the importation of illegal timber would enable "declarations of origin" to be systematically scrutinized, exposing importers making false declarations at a country's point of entry. WWF-Germany, as initiator of this project, sees isotope analysis as a potentially fast and affordable method for stopping the import of illegal timber and a way of supporting companies dealing in legal and sustainable products by levelling the market's playing field.

Companies are encouraged to join the project which not only gives the unique chance to use this approach to determining the sources of their wood at an early stage, but also enables them to do so with little-to-no investment. Companies that do offer to assist with the project will be asked to ensure access of their FMU for the collection of reference wood samples and onsite support during collection. The costs of collection and analysis of the samples will be covered by the project.

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Educating Companies to Save Indonesia's Remaining Forests

GFTN-North America (GFTN-NA) co-hosted the "Indonesia Pulp and Paper Roundtable" for investors and buyers of pulp and paper from Indonesia. The focus of the event was to educate 55 attending companies about illegal and unsustainable forest management practices in Indonesia and the relationship of Asia Pulp & Paper (APP) and Asia Pacific Resources International Holding Ltd. (APRIL) to forest loss in the region. These are the two largest pulp and paper companies, located in a country with the highest rate of forest loss in the world. GFTN-NA participants Wal-Mart, Procter & Gamble and Domtar, as well as GFTN supporter Citi Group, were among the delegation. The presence of such influential businesses combined with the information presented by WWF, its partners and APP and APRIL moved other attending companies to engage in their own responsible purchasing policies.

"The Indonesia Pulp & Paper Roundtable was a resounding success", says Kerry Cesareo, Manager of GFTN-NA. "Many influential companies were present to learn about the environmental and social issues surrounding the Indonesian pulp and paper sector, and how they can use their purchasing and investing power to secure sound management of Indonesia's threatened and remaining natural forests."

As the forest products industry is considered by many to be controversial, understanding potential corporate risk and conducting extensive due

diligence is crucial for companies involved in the sector. Companies were educated about the serious risks posed to institutions by unintentionally or unknowingly lending financial support or buying products from forest operations that conduct questionable and illegal activities with profits or monies lent. Attending companies of the roundtable learned how to monitor and mitigate these business risks as well as initially engage more responsibly with the forest products industry.

"At Citi, we assess risks in the forestry, pulp and paper sectors through implementation of our Environmental and Social Risk Management Policy", says Courtney Lowrance, Vice President of Environmental and Social Risk Management for Citi Markets and Banking. "This includes requiring and advising clients operating in high risk countries, as defined by Citi, to commit to achieve independent certification within three to five years".

WWF continues to raise awareness of the serious issues associated with Indonesia's pulp and paper sector by calling on responsible business to end their contracts with companies like Asia Pulp & Paper and make commitments to eliminate illegal sources of forest products from their supply chains.

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<http://www.environmentalpaper.org/indonesiaroundtablesummary.htm>

4 GFTN Cutting Edge Insights

Congo Basin: SFPGA Yields Effectively Managed Forest

In partnership with WWF's Global Forest & Trade Network (GFTN), the Sustainable Forest Products Global Alliance (SFPGA) has made effective forest management a reality in Africa's Congo Basin. One of the world's largest conservation organizations, WWF's mission is to stop the degradation of the planet's natural environment and to build a future in which humans live in harmony with nature. As a public/private partnership that seeks to make markets work for forests and people, the SFPGA is a program of the United States Agency for International Development's (USAID) Global Development Alliance. SFPGA has invested 6.5 million USD over the last six years in support of GFTN. GFTN has leveraged this support with that of the public and private sector to 33.8 million USD to promote its mission of transforming the global forest products industry into a force for saving the world's valuable and threatened forests.

Over the last two years, 409,572 hectares of forest area managed by participants of the GFTN in Central Africa have been certified. The forest hectares have been certified by the Forest Stewardship Council (FSC), the organization responsible for setting standards that represent the world's strongest system for guiding forest management toward sustainable outcomes. GFTN is working in Cameroon, Gabon, Central African Republic, DR Congo, and the Republic of Congo, with committed participants to increase the area of certified forest under effective management as well as the availability of products from these forests. Of the total FSC-certified forest area found in the Congo Basin, GFTN participants account for approximately 52.6%.

By the end of 2008, the number of effectively managed forest hectares in the Congo Basin through GFTN-Central Africa participants is expected to reach upwards of 1.2 million. In Cameroon alone, where SFPGA support has enabled increased GFTN activity, participants hold approximately 85% of the total FSC-certified area. This remarkable growth in responsible forest management within the region is the direct result of USAID support and partnership.

Establishing GFTN-Central Africa in 2002, the SFPGA enabled producers in the Congo Basin to benefit from sustainable forest management. The innovative 'stepwise' approach as supported by SFPGA, introduced producers to a manageable method of achieving credible certification through a series of targeted actions. The stepwise approach addresses situations wherein the protection of valuable

and threatened forests is critical but remains difficult as is the case in the Congo Basin. The implementation of this stepwise approach by producers in the Congo Basin has allowed responsible trade relationships between these producers and other GFTN participants to grow. Facilitated by GFTN, participant companies supply certified products or products in progress to certification. These market links have yielded approximately 1.7 million USD in trade relationships with GFTN-Central Africa participants. The economic benefits are not limited to trade dollars, as sustainable employment and community development are also products of responsibly managed forest operations in the region.

SFPGA is helping to transform the global forest products market by increasing the demand for legally produced products from well-managed forests by global businesses and other organizations. Market links between GFTN participants, particularly those from U.S. and EU countries, are also increasing market pressure against illegal logging and driving certification on the ground in the Congo Basin. Efforts in the field made by GFTN, supported through the SFPGA, have built a foundation on which Congo Basin producers are better able to fulfill the demand of the markets for certified material.

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5 GFTN Market Links in Action

Linking Bolivian Suppliers with International Markets

Thirty-two international buyers seeking certified forest products engaged in building trade relations with GFTN-Bolivia participant companies during the second annual Business Mission for Bolivian Forestry Products. This business mission was hosted by GFTN-Bolivia at the Bolivian Forestry Chamber's Business Roundtable during the 2008 ExpoForests (International Forest, Wood and Technology Fair), resulting in potential market links worth an estimated value of US \$3 million.

Roger Landivar, Director for WWF Bolivia, stated "During this business mission an increase in participation clearly demonstrated foreign business interest in the Bolivian supply of certified wood or in the process of certification with very positive results for local companies in this sector".

GFTN, with the Chamber of Exporters of Northeastern Beni and Pando (Cadexnor), organized technical visits to production forests located in Riberalta and to industrial companies in La Paz and Cochabamba. These visits enabled the foreign buyers to meet GFTN-Bolivia producers and explore their operations firsthand to better understand how their requirements for certified forest products could be fulfilled.

At the Roundtable, Bolivian Forestry Chamber leaders highlighted WWF's contribution to responsible forest management, emphasizing

that 92% of Bolivia's FSC-certified forests are managed by GFTN-Bolivia participants. They also highlighted WWF's role in introducing sustainability and recognized GFTN's lead in training leaders in responsible business practices. Mr. Pedro Colanzi, First Vice-President of the Chamber, expressed how "...very grateful we are to WWF for bringing, for the second year in a row, a large number of GFTN businessmen to take part in the Chamber's Roundtable".

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6 GFTN Featured Participant

Danzer: Committing to Certification in the Congo Basin

The Danzer Group, one of the world's leading manufacturers of decorative hardwood veneers and lumber and one of the largest employers in the Congo Basin region, is working with the Global Forest & Trade Network (GFTN) to achieve credible certification. GFTN-Germany and Danzer Group agreed in 2007 on achieving FSC certification of all Danzer Group concessions in Africa. This commitment, also facilitated by Danzer Group's participation in the GFTN-Central Africa, could result in one of the largest FSC certifications ever undertaken by a single company. The Danzer Group's forest concessions — managed by two subsidiaries, Industrie Forestière Ouessou (IFO) in the Republic of Congo and Société Industrielle et Forestière du Congo (SIFORCO) in the Democratic Republic of Congo — are of great importance not only to the promotion of responsible forest management in the region but also the economic livelihoods of local communities.

Aside from its commitment to responsible forest management, Danzer Group has also made significant contributions to local development. The company's support of local schools and community health care initiatives has helped increase the quality of life for people in the region. While Danzer Group is one of the most important foreign investors in the Republic of the Congo and the Democratic Republic of Congo, the

company has also developed proposals for the co-funding of socio-economic and conservation activities in the area. A family foundation also supports some of the local social projects. The company takes leadership in supporting the efforts of charities in all countries where it does business. "Danzer Group is one of the pioneers of sustainable, legal and socially responsible forest management in Africa's Congo Basin", said Olof von Gagern, CEO Africa Danzer Group.

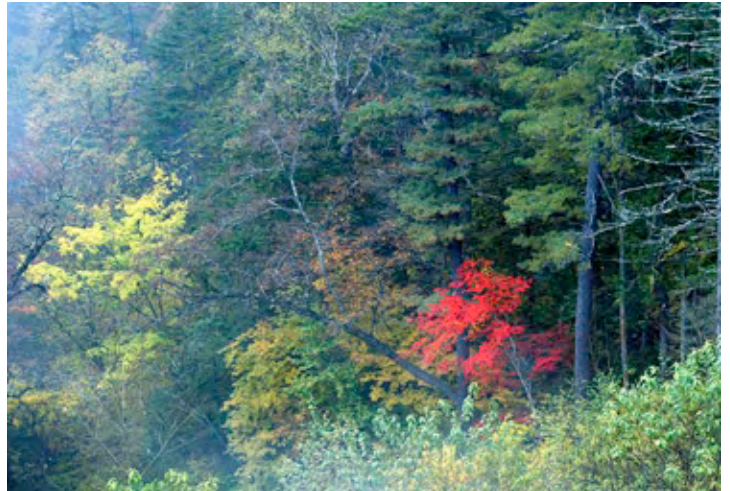
The Danzer company was started in 1932 by Karl Danzer as a broker specializing in high quality veneers. Currently, Danzer Group operates seven veneer factories in North America, Europe and Africa and five sawmills in the United States and Africa. In 2007, Danzer Group joined GFTN-Germany with a strong commitment to responsible purchasing for all affiliated trading divisions dealing totally or partly with African wood species. Today, Danzer Group has both IFO, with 1.14 million hectares of forest, and SIFORCO, with 1.9 million hectares of forest, progressing toward credible certification, and it offers its products worldwide. Together with GFTN, Danzer Group is promoting responsible forest management and trade as well as providing socioeconomic opportunities for the communities of the Congo Basin. For more information about Danzer Group's third party verified legal products and its FSC-Controlled Wood Certificate go to www.danzergroup.com

7 New GFTN Participants

Wal-Mart Joins GFTN-North America

Wal-Mart, the largest retailer in the world and the world's largest public corporation by revenue (according to the 2008 Fortune Global 500), joined the GFTN-North America (GFTN-NA). Wal-Mart has committed its U.S. operations (retail stores, Sam's Club, and walmart.com) to phasing out illegal and unwanted wood sources from its supply chain. It has also committed to increasing its proportion of wood products originating from legal and credibly certified sources. Wal-Mart's scope of participation includes the importation and sale of all wood-based products with an initial focus on the product category of wood-based furniture. Wal-Mart sources furniture from a number of WWF priority areas such as the Amazon, the Amur-Heilong region encompassing the Russian Far East and Northeast China, the Indonesian island of Borneo, China (as a port of transshipment), and the Mekong region, including Vietnam.

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8 The Faces of GFTN



Linda Kramme

GFTN-North America welcomes Linda Kramme as a Senior Program Officer. In this role, Linda's work will link to WWF priority places, by engaging with current and prospective GFTN participant companies in those regions, helping them to secure and maintain their commitment to responsible trade in forest products.

Prior to WWF, Linda worked with the Rainforest Alliance's SmartWood program as an auditor and project manager for companies seeking Forest Stewardship Council (FSC) chain-of-custody certification. She also spent thirteen years at The Nature Conservancy, managing land stewardship and conservation real estate projects in the U.S. Linda has lived and worked in Indonesia as a graduate student studying Sumatra's pulp and paper industry. During that time she was granted a conservation fellowship in East Kalimantan which allowed her to focus on orangutan habitat conservation. Linda holds a B.A. in geography from Bucknell University and a Master of Forestry from the Yale School of Forestry and Environmental Studies. Linda has also served as a Program Associate with The Forests Dialogue, an international multi-stakeholder group that promotes sustainable forestry.



Richard McLellan

The Global Forest & Trade Network welcomes Richard McLellan as its new Head. Richard has worked with WWF for over eight years, where he has fulfilled a variety of roles including WWF-Australia's National Land Programme Manager (under which the Australia-FTN was located). Richard has also worked for WWF in Cambodia,

where he managed a large landscape conservation programme in the Lower Mekong Dry Forests, extending across Cambodia, Laos and Vietnam. Prior to joining WWF, he managed his own native vegetation management consultancy, specialising in off-reserve conservation projects focussing on conservation covenanting and landscape restoration. Richard's primary expertise is in large conservation programme management, natural resource management, private land conservation, woodland ecology, and ecoregion-scale landscape conservation. Richard is a science graduate from the University of Western Australia. He is also a keen bushwalker, mountain-biker, and photographer. Richard counts among the highlights of his life: trekking through the Himalayas to the Everest Base Camp; working in Cambodia for a year with WWF Indochina; and, of course, recently being appointed Head of GFTN.

9 GFTN and Credible Certification

FSC Products Catalogue for the Spanish Market

Branching out from the forest and into the hands of end-users, the FSC Products Catalogue for the Spanish Market is set to launch in October. FSC Spain and GFTN-Iberia are jointly developing the FSC-certified wood, paper and cork products directory for the Spanish market to be rolled out during the next Spanish Architecture Fair, CONSTRUTECT 2008, taking place in Madrid. The catalogue will help promote responsibly produced forest products and their trade by offering a consolidated list of locally available FSC-certified materials. One thousand printed copies of the FSC Products Catalogue for the Spanish Market will be distributed to Spanish architects, retailers, public administration officials, real estate agents, construction companies, designers, manufacturers, importers and distributors. An electronic version of the catalogue will be available for anyone interested in these products on both the FSC Spain and GFTN-Iberia websites.

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Showcasing Certification in Brazil

WWF-Brazil hosted a booth at the 3rd annual FSC Trade Fair (Feira Brasil Certificado) held in the city of Sao Paulo, providing an opportunity for discussion among companies, NGOs, and government representatives about the positive role of WWF/GFTN in moving companies toward responsible forest management and trade. WWF-Brazil also created an impromptu forum for facilitating market links and promoted their SIM program (GFTN-Brazil) which aims to partner with local governments to improve forest law enforcement and find more effective ways to combat illegal logging. The event was an overall success in furthering GFTN's work in Brazil and raising the awareness of the importance of certification for the conservation of forests, especially those of the Amazon.

With the opportunity to engage forest law enforcement officials and state government representatives, WWF emphasized the potential of the SIM Program to act as an implementation framework for the government to combat illegal logging on both state and federal levels. The program also complements the implementation of forest codes by providing companies and communities necessary capacity-building trainings, technical support, and the facilitation of market links.

“Our booth was an important meeting point for different groups to raise problems and create solutions together, where we could act as a facilitator among buyers and suppliers of certified products”, said Mauro Armelin of WWF Brazil. Facilitating these discussions and providing opportunities for market links furthers the commitments of buyers and suppliers who are driving improvements in forest management in the Amazon.

WWF-Brazil also used the occasion to launch their Boletim Mercado Florestal Certificado (Certified Forest Market Bulletin). This quarterly bulletin showcases the economic benefits associated with investing in FSC certification. By providing the prices of certified products such as lumber, flooring, decking, copaiba oil, açai, and Brazil nut oil, the bulletin informs companies and communities about the profitability of the certified products industry and certification.

The trade fair enabled WWF to further promote the importance of the role FSC certification plays in responsible forest management, as well as raise the awareness of companies and forest and government officials of the role WWF plays in conserving the forests of the Amazon.

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10 WWF / Forest News

These dedicated insights into other WWF projects, activities and initiatives create important enabling conditions for GFTN work, and acknowledge the global team effort made toward reaching WWF's greater conservation goals.

WWF-Supported Timber Provision Becomes Law

WASHINGTON, June 18, 2008 – The import, purchase, sale and transport of products made from illegally harvested wood will for the first time become a federal crime under legislation passed today by the U.S. Congress.

World Wildlife Fund (WWF), which lobbied strongly for the provision, said it will ban products made from illegally harvested wood and authorize U.S. enforcement agencies to prosecute illegal timber traffickers. To date, no U.S. laws have prevented illegally harvested wood from entering the domestic market and few regulatory mechanisms have existed to indicate to consumers whether specific wood products have been derived from legal, sustainable sources, said WWF.

The provision, which was originally introduced as a standalone bill in both the House and Senate, was included in a massive \$300 billion dollar farm bill that received final approval as both the House and Senate voted today to override the President's veto of the bill: the Senate by a vote of 80 to 14; the House by a vote of 317 to 109. With Congress' override of the veto, the farm bill, including the prohibition against illegal timber imports, automatically becomes law.

"By banning the import of illegally harvested wood products, this measure will help level the playing field for U.S. companies that are

committed to ensuring that their purchases of forest products support legal and responsible logging practices. Many of these companies are members of WWF's Global Forest & Trade Network," said Bruce Cabarle, the program's managing director.

"This legislation will have an enormous impact on saving fast-disappearing forests around the world because the law can now act strongly against the illegal trade in timber. It will also empower U.S. consumers to make better-informed choices that will directly benefit nature," said Dr. Darron Collins, WWF's managing director of the Amur-Heilong, a WWF priority area straddling the Russian Far East and China.

For more information go to www.panda.org



Government Eyes Wood Products Certification Body

INDONESIA, 15 May, 2008 – With help from the Indonesian Ecolabelling Institute (IEI) and the European Union, the government is developing an executive body under the Forestry Ministry to be responsible for the certification of sustainable wood products and production system. "The executive body will be at the same level as a directorate general within a ministry," IEI executive director Taufik Alwi said on the sidelines of a seminar on wood legality in Yogyakarta on Wednesday.

The IEI is a quasi-government body now temporarily in charge of issuing sustainable forests certification in the country with many of its member's scholars or players in the forestry industry. The IEI, he said, would formulate the wood certification standard for the proposed body, while the European Union would provide expert advisory and funding, although he refused to specify amounts. Alwi said in order to ensure product certification compatibility and access to most international markets, the body would adapt a verification system used in 10 major green wood importing countries, including the Netherlands, Germany, France, Britain, Japan, New Zealand and Australia. He also said the executive body would have the authority to issue certification for independent wood certification agencies. He said while no deadlines had yet been set, the IEI sought to complete a draft of the certification standard soon.

The creation of an international standards-compliant body, he said, would result in an exponential increase in Indonesian wood products, which currently only account for 5 percent of the world market, entering major markets, particularly in Europe. "Even though Indonesia has declared some of its wood products legal and made from sustainable harvested materials, buyers are not yet comfortable with the existing system's ability to verify product legality," he said.

The new system, he said, would be credible and efficient in that it would not require additional funding.

The existing system is subject to a large number of costly inspections by agencies both from central and regional administrations. "Imagine, a business entity can be inspected up to 50 times per year on various subjects ranging from wood yields to boundary matters," Taufik said. He said the IEI's existing program had already certified 1.1 million hectares of production forest, and aimed to expand to 2 million hectares by the end of the year.

Cib's Total FSC Certified Area Reaches 750,000 Hectares

REPUBLIC OF CONGO, May 26, 2008 – Congolaise Industrielle des Bois (CIB), a subsidiary of the Danish DLH group, announced today that its Pokola Forest Management Unit (FMU) has achieved FSC certification. Pokola FMU becomes the 2nd of CIB's four forest areas to reach this significant achievement after CIB's Kabo FMU achieved FSC certification in May 2006. The Kabo FSC certificate has been maintained for another year following a successful surveillance audit carried out by SGS, overseen by Accreditation Services International (ASI) of the FSC.

CIB's Pokola FMU covers 452,200 hectares and together with the Kabo FMU, covering 297,000 hectares, brings CIB's total FSC certified area to almost 750,000 hectares of natural tropical forest.

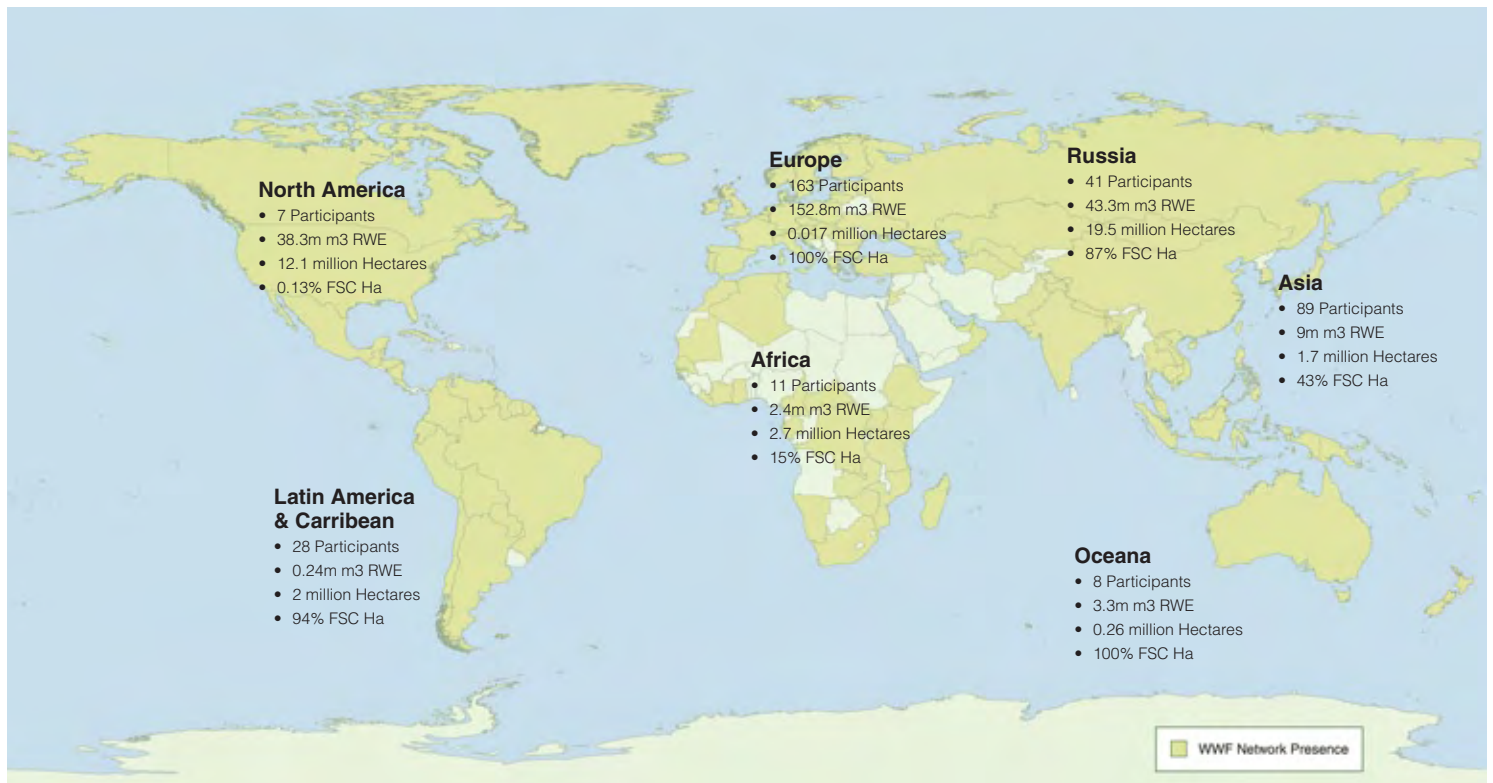
Robert Hunink, Executive Vice President of the DLH Group, and President of the Supervisory Board of CIB, applauded the accomplishment. "This achievement was only made possible by the continuous commitment and extraordinary dedication of CIB's management and staff. Under often challenging circumstances our CIB colleagues have not only achieved what many in the industry have long thought impossible but also succeeded in maintaining the exceptionally high FSC standard throughout a series of robust audits. He added, "We are very appreciative for the cooperation

of Congo's Forest Minister, His Excellency Henri Djombo, the staff of his ministry, and also the assistance of our other stakeholders during the establishment of Pokola's forest management plan."

Similar to the Kabo FMU, the Pokola FMU is home to many indigenous peoples and the town of Pokola, where CIB's headquarters is located, itself supports a community of over 15,000 people. The forest supports a diversity of threatened large mammal species including elephant, chimpanzees and gorillas. The application of the FSC's principles ensures that the forest will continue to sustain the biodiversity that the people and animals depend on whilst still representing a much needed resource for economic development in the northern Congo.

Robert Hunink echoed this point "The DLH Group has made significant financial resources available for CIB to reach this important milestone. We're counting on markets to respond to the increased availability of CIB's FSC products. Added sales in FSC goods will further support not only initiatives to have the remaining concessions of CIB certified before the end of 2009 but also encourage other FSC projects in the region and around the world." CIB's certification program is on-going with efforts continuing, not only to maintain the FSC certificates of Kabo's and Pokola's FMUs but also to have its remaining FMUs, covering its full 1.3 million hectare area, FSC certified by the end of 2009.

11 GFTN at a Glance



GFTN Toolbox

WWF Guide to Buying Paper

WWF, November 2007

This guide makes it easy for an organization to understand the environmental impacts of paper-making and to source responsibly produced paper products. View this report at:

http://assets.panda.org/downloads/wwf_paper_guide_1.pdf

Keep It Legal – Best Practices for Keeping Illegally Harvested Timber Out of Your Supply Chain

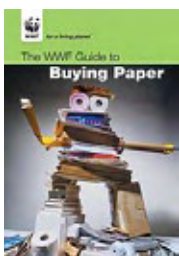
WWF, October 2006

Developed by GFTN for organizations wanting to implement a responsible purchasing program, this manual adds detail to legality issues encountered by companies adopting such policies. Download Keep It Legal as a PDF: http://www.panda.org/about_wwf/what_we_do/forests/publications/index.cfm?uNewsID=82060

Guide to Responsible Purchasing of Forest Products – Second Edition

WWF, September 2006

GFTN developed this guide for organizations wishing to develop a program for the responsible purchasing of forest products. The guide lends a generic approach to developing and implementing a responsible purchasing policy. Download the Guide to Responsible Purchasing as a PDF: http://www.panda.org/about_wwf/what_we_do/forests/publications/index.cfm?uNewsID=80500



External tools:

FSC Certificate Search Database:

http://www.fsc.org/en/getting_involved/buy_sell

Forest Certification Resource Centre:

<http://www.certifiedwoodsearch.org/searchproducts.aspx>

Transparency International:

<http://www.transparency.org/>

Illegal Logging:

<http://www.illegal-logging.info>

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