



GLOBAL
FOREST
& TRADE
NETWORK

WWF GFTN NEWSLETTER

OCTOBER 2012

CONTENTS

GFTN NEWS

WWF Living Forests Report Chapter 4: Forests and wood products	3
WWF signs agreement with IDH to promote FSC in Congo Basin	4
For GFTN-UK participants, it's all about sustainability	5
WWF Check Your Paper – promoting transparency in the marketplace	6
Rising to the challenge: wood products today and tomorrow	6

GFTN ON THE GROUND

WWF helps Chinese companies improve forestry in Gabon	7
WWF & GFTN work to preserve Amur leopard habitat	9

GFTN CUTTING EDGE INSIGHTS

Interview with Bruno Perodeau, WWF Forest Programme Manager, DRC	11
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GFTN & CREDIBLE CERTIFICATION

FSC Congo Basin Regional Standard approved	12
FSC appoints new Director General	13
“In Good Company:” GFTN participates in FSC event	13
FSC certified forest area in Germany set to double by 2014	14

GFTN & MARKET TRANSFORMATION

First GFTN-Vietnam member achieves FSC certification	15
GFTN participant Kimberly-Clark launches sustainable bath tissue in the UK	16
GFTN participants ahead of target in FSC certification of beverage cartons	17

GFTN NOTES FROM THE FIELD

Bolivian forestry: bringing together communities and companies	18
--	----

FACES OF GFTN

20

GFTN AT A GLANCE

21

GFTN TOOLBOX

21

GFTN GLOBAL STATS

22

The GFTN is WWF's initiative to eliminate illegal logging and transform the global marketplace into a force for saving the world's valuable and threatened forests. By facilitating trade links between companies committed to achieving and supporting responsible forestry, the GFTN creates market conditions that help conserve forests while providing economic and social benefits for the businesses and people that depend on them. The GFTN considers independent, multi-stakeholder-based forest certification a vital tool in this progression and helps infuse the principles of responsible forest management and trade practices throughout the supply chain.

MESSAGE FROM GFTN HEAD GEORGE WHITE

Turning responsible forestry into business as usual

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**THE KEY CHALLENGE FOR
THE WOOD PRODUCTS
INDUSTRY IN A FUTURE
WITH ZERO NET
DEFORESTATION AND
FOREST DEGRADATION IS
HOW TO SUPPLY MORE
WOOD PRODUCTS WITH
LESS IMPACT ON FORESTS**

- LIVING FORESTS REPORT CHAPTER 4

With global demand for wood and fibre predicted to triple over the next three decades, and the associated pressure this will create on natural forests, we can see that the challenge is not just for today, but for the long term. The number of forests that are responsibly managed has grown, but still, roughly two-thirds of the 400 million or so hectares of production forest in the tropics do not have a management plan, leaving them vulnerable to degradation or deforestation. In the newly released chapter of the WWF *Living Forests Report*, we see that the gap between forests with no management plan and those under responsible management remains wide, putting further pressure on some of the world's most valuable and threatened forests.

For more than 20 years, GFTN has been working to narrow that gap and the new data shows that GFTN's global efforts are increasingly important. With our new Global Strategy in place, we are looking at how to build on our successes, learn from our mistakes, and above all, to truly transform the global forest industry into a force for good that it has the potential to become.

This newsletter brings home the sheer scale of this ambition and shows just what it takes to change business as usual on a global scale and to conserve the world's most precious forests and species in WWF's priority places.

We see how WWF/GFTN is working to change behaviour and attitudes in the Congo Basin, one of the most difficult forest regions in the world. In Gabon's untouched, resource-rich forests, WWF is aligning its global expertise to help Chinese companies practice responsible forestry and trade. WWF is also forging relationships with likeminded organizations in the Congo Basin to promote credible certification. FSC recently adopted its Standard for the Congo Basin, a welcome development not just for the region but for the global industry. You also see positive movement in consumer countries, such as Germany, where combined efforts to boost consumer awareness of responsible production has led to an increase in FSC labelled beverage cartons. In the UK – the country where GFTN started – WWF is finding innovative new ways to stimulate interest in responsible purchasing and promote the uptake of credible certification.

From the global markets to local forests, WWF and GFTN remain committed to working at all points in the supply chain to mainstream responsible forestry and trade. If we do not want to see natural forests degraded or lost as demand grows, and if we want to ensure a balance between food supply and plantations, we must ensure that today's best practices and intentions become tomorrow's business as usual.

George White
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GFTN NEWS

WWF Living Forests Report Chapter 4: Forests and wood products

**ZERO NET DEFORESTATION
AND FOREST DEGRADATION
(ZNDD) MEANS NO NET
FOREST LOSS THROUGH
DEFORESTATION AND NO NET
DECLINE IN FOREST QUALITY
THROUGH DEGRADATION**

Humanity will use more wood in more diverse ways as the future unfolds. So can we produce more wood without destroying or degrading forests, in a world where competition for land and water is increasing?

The latest chapter in WWF's Living Forests Report shows that it's possible, and that it could even be good for the planet. But it's a challenge that spans the whole supply chain, from where and how wood is grown and harvested to how wisely and efficiently it is processed, used and reused.

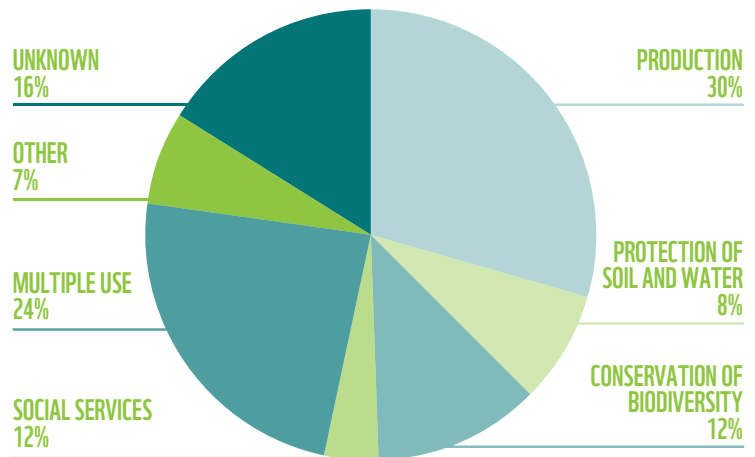
Even with increased recycling, reuse and efficiency, wood demand is projected to rise significantly in the coming decade. In turn, the amount of wood taken from forests is expected to triple by 2050, from 2010, when global reported wood removals amounted to 3.4 billion m³. The demand for solid wood and paper products in emerging markets will grow steadily, but the massive escalation is projected to be in the use of wood as a feedstock for bioenergy.

The increased demand is likely to compound the pressure on forests in WWF priority places. Further pressure on priority places could come from imports of sawn wood and panels, as Africa and the Middle East are fast emerging as major destinations for those products.

Depending on the scenario, the Living Forests Model projects that between 242 million and 304 million additional hectares of natural forest outside protected areas would need to be managed for commercial harvesting by 2050. The scenarios assume that demand for wood beyond the volumes sourced from plantations will come from well-managed natural forests, and project an expansion of up to 25 per cent above the current area of natural forest used for commercial wood production.

Humanity's growing demand can be met by a combination of enlarging the portion of the world's natural forests that are managed for production, and establishing new tree plantations. However, the capacity of production forests to provide ecosystem services and sustain timber yields varies greatly depending on how well they are managed and the values protected in the surrounding land-use mosaic.

Forest certification provides assurance that the wood in a product comes from a well-managed forest, with an audited chain of custody running from the forest floor to the customer. About 30 per cent of the world's production forests are certified, with around 13 per cent of this under the Forest Stewardship Council (FSC). Certification needs to expand significantly in regions, particularly the tropics.



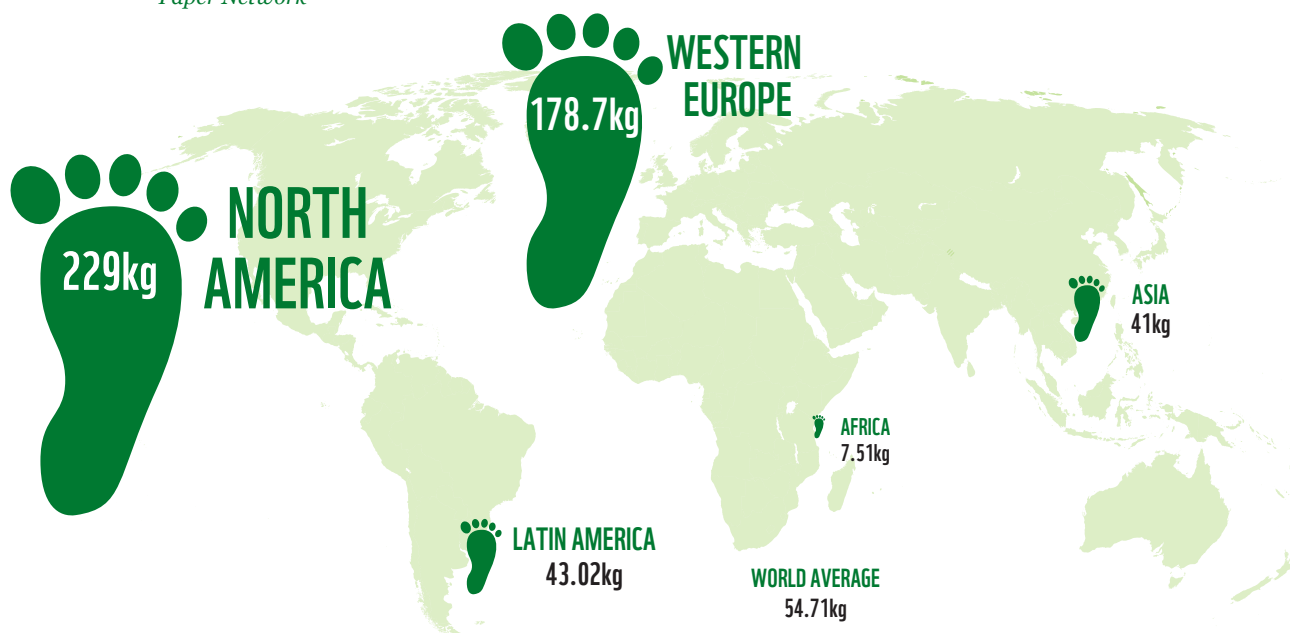
Global forest functions in 2010. Source: FAO

The market for wood can motivate good forest stewardship that safeguards a critical resource or it can destroy the very places where wood grows. The pursuit of conservation objectives in a forest may mean less wood is removed in each harvesting cycle, reducing revenues in the short term. Yet less intensive forms of logging and the creation of “set-asides” can also help maintain the longer-term productivity of the forest by sustaining ecological, carbon, nutrient and water cycles and decreasing vulnerability of tree species to disease and fire.

Read the full report online at panda.org/livingforests

Annual paper consumption per capita in 2009.

Source: Environmental Paper Network



WWF signs agreement with IDH to promote FSC in Congo Basin

WWF has signed an agreement with IDH and FORM to promote FSC certification and responsible forest management in the Congo Basin.

WWF, through GFTN, will advise IDH's Congo Basin Programme (CBP) on promoting FSC and public-private partnerships in the region. In addition, GFTN will help identify service providers in the programme and assist CBP in monitoring progress in the region.

The organizations will collaborate on creating an enabling environment for FSC certification in the region, such as supporting finalization of the regional/national FSC standards and strengthening governance.

GFTN has been operating in Central Africa since 2003 and currently has operations in Cameroon, Central African Republic, Democratic Republic of Congo, Gabon and the Republic of Congo. GFTN supports and guides logging companies that understand how responsible logging practices and trade can lead to important advantages in the international market. It has played an important role in promoting FSC certification in the region, ensuring that credible certification systems are established and endorsed, facilitating access to markets where logging companies can sell their goods, and providing technical support to achieve certification.



Bonobo chimpanzees, mother and young, in a tropical rainforest in the Democratic Republic of Congo.

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The Congo Basin Programme (CBP) is a large-scale public-private partnership aiming to increase the responsible production and trade of tropical timber. It is part of the Tropical Timber Programme of The Sustainable Trade Initiative (IDH) and assists and guides concession holders in the process to achieve FSC certification and better market position through co-funding of a number of relevant services. CBP aims at four million hectares of additional certified natural forest in the Congo Basin.

FORM International is a Dutch consultancy specializing in sustainable forest management. It coordinates IDH's Congo Basin Programme.

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For GFTN-UK participants, it's all about sustainability

GFTN-UK participants have published their performance again this year and the figures show that on average, 61.2 per cent is coming from credibly certified sources, 7.8 per cent from recycled sources, 24.6 per cent where legality is established as a minimum – leaving 6.4 per cent with limited or no knowledge of the source.

“It is easy to think that people have forgotten about the real goal – driving change towards products from well managed forests – but our figures show that for GFTN-UK businesses, this is not the case,” said Julia Young, Manager, GFTN-UK. “Sustainability is the main feature of their work on responsible sourcing, even if some have to focus on those goods in that limited knowledge zone to gather as much evidence as possible, in the absence of being able to move across to sustainable goods in the short term.”

Legality verification is high on companies' agenda at the moment. With the EU timber regulation set to take effect in less than a year, products need to be compliant with the law, and many businesses are focusing on gathering evidence for the products already on stream, which need verification.

In 2013, WWF will ask GFTN participants to highlight the improvements they have made in driving the sustainability agenda when they independently publish their performance again. There is no doubt that the EU timber regulation will help drive improvements across the industry in the UK to eliminate poorly sourced forest goods from supply chains, but it must also support those businesses who have invested in sustainability, and not instead provide room for argument for compliance only.

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AMONG GFTN-UK
PARTICIPANTS,
61.2 PER CENT OF
WOOD IS COMING FROM
CREDIBLY CERTIFIED SOURCES,
7.8 PER CENT FROM
RECYCLED SOURCES AND
24.6 PER CENT WHERE
LEGALITY IS ESTABLISHED AS
A MINIMUM

Check your paper –promoting transparency in the marketplace



Understanding the environmental footprint of paper is complex, but of increasing importance to responsible paper buyers around the world. WWF's online check your paper tool offers an easy way to evaluate the footprint of paper by allowing producers and merchants to showcase the forest, water and climate performance of individual paper brands.

WWF's database of eco-rated papers contains a growing number of transparent paper brands and had nearly 15,000 unique visitors since its creation in 2010 - currently 59 per cent from Europe, 21 per cent from the Americas, 17 per cent from Asia, 2 per cent from Oceania, and 1 per cent from Africa.

More and more producers around the world see transparency as an important aspect of their corporate policy, helping them demonstrate that they take environmental and social responsibility seriously. WWF recommends to public and corporate buyers to:

- Check out transparent paper brands from transparent producers on [Checkyourpaper.panda.org](http://checkyourpaper.panda.org)
- Find out the environmental footprint of the papers they buy - asking their paper supplier to rate their papers on checkyourpaper.panda.org

In November 2012, WWF will announce the winners of the Environmental Paper Award 2012 which focuses on paper brands listed on WWF's check your paper database, giving credit to the most transparent paper producers and brands with the best environmental performance.

For more information, contact:

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Rising to the challenge: wood products today and tomorrow

The U.S. is one of the top markets for wood in the world, importing nearly US \$20 billion worth of forest products in 2011. Hence, the role that U.S. companies play in the area of sustainable forestry has implications around the globe.

The market, however, is not without its challenges. Declining demand for pulp and paper products domestically, as well as rising competition from emerging economies such as China has shifted the landscape considerably for North American producers and buyers.

These issues as well as other major trends, challenges and opportunities facing the North American industry were discussed at the 27th annual RISI North American Forest Products conference in Boston, U.S., attended by 275 people representing pulp and paper companies, forest products firms and investment groups.

George White, Head of GFTN, spoke about the future demand and outlook for wood and related products, and why it is crucial to halt deforestation and forest degradation to sustain forests, and the markets that support them, in the long term.

"Companies globally have a huge role to play in determining the future of our forests, with over 60 per cent of the global forest resource under their direct control," White said. "North American companies have proved to be some of the top leaders in accepting social and environmental responsibility. In the future, we hope that more companies step forward to play their part in shaping a living future for our forests."

GFTN ON THE GROUND

Building sustainable bridges: WWF helps Chinese companies improve forestry in Gabon

Gabon is a country blessed by nature. With over 800km of coastline along the Atlantic Ocean, tropical rainforests covering 85 per cent of its territory and a wealth of minerals, Gabon is the most prosperous nation in the Congo Basin. Statistically, there is a stark contrast with the country that is becoming one of its main investors: China.

Gabon's total population is equal to one of the smallest Beijing districts, though its area — more than 267,000km² — is equivalent to 16 times that of Beijing. WWF's Living Planet Report 2012 ranks Gabon as first in the world for "biological capacity", the biologically productive area per person, while China comes among the last. But Gabon and China also have something in common: the commitment in national plans to making the environment a key element of economic development.

In Africa, Gabon is the top exporter of forest products to China. In turn, China's presence in Gabon's forestry sector is rapidly growing and it is the largest buyer of processed wood from the Central African nation. With 23 and 20 companies respectively, France and China dominate the local timber industry.

WWF has been working to help manage Gabon's rich biodiversity and ensure sustainable use of natural sources for over two decades. That work includes improving responsible logging practices and encouraging forestry companies to join credible certification schemes such as FSC. Gabon holds 1.8 million hectares of certified forests.

WWF is working actively with Chinese forest management companies to help improve their forestry standards, ensure they are in compliance with the national law and the international sustainable forestry standards and are committed to achieving FSC certification.

Through GFTN, WWF is bridging the gap between Gabon's government and Chinese companies and helping Chinese operators gain better understanding of local laws by translating Gabonese technical forestry documents into Chinese and providing training on best practices and responsible forest management.

Two workshops have been organized for Chinese companies in Gabon. The first, held in November 2011, focused on the country's different laws and the best environmental practices and mechanisms such as GFTN and FSC. The first of its kind in Gabon, the workshop helped facilitate dialogue and exchange between key actors in the forestry sector, including seven Chinese forest management and timber trade companies, Gabon's government agencies and environmental organizations.

A second workshop, held in May 2012, was attended by ten Chinese forest management and trade companies, and focused on FSC and GFTN. Representatives from Gabon's Forest and Water Ministry also spoke about their vision for responsible forest management and the issues and expectations. With the help of WWF, Chinese companies have created a platform to facilitate training and disseminate information, and as a result of the two workshops, four Chinese enterprises managing a total of 1.5 million hectares have expressed interest in achieving FSC certification.

© WWF-GABON



Panelists at WWF's Workshop on Sustainable Forest Management in Libreville, Gabon, Nov. 2011.

**GABON HOLDS
1.8
MILLION
HECTARES
OF CERTIFIED
FORESTS**



A logging site near Minkebe forest, Gabon.

“We are working with Chinese businesses to promote the path towards responsible forest management and train them in the best international standards,” said Jin Zhonghao, Manager, GFTN-China.

Minkebe: One of Africa’s untouched rainforests

Situated in the northeast corner of Gabon, the Minkebe Forest is considered one of the most biologically rich rainforests in Africa. It is home to one of the largest populations of forest elephants in Africa as well as gorillas, chimpanzees, leopards and many other species. While human activity in Minkebe is relatively minimal, logging is on the rise, and small-scale gold mining also exists.

With increasing global demand for resources, especially from China, WWF is concerned about how ongoing investment in timber concessions, iron ore exploitation and new infrastructure in Central Africa will affect the region’s biodiversity.

All National Parks in Gabon are entirely or partly surrounded by forest concessions, which should serve as important buffer zones for the parks. That’s why WWF is working with companies to develop a wildlife management plan that would ensure integral protection of the National Park core zone.



Gold mining site in Minkebe Forest.

Earlier this year, WWF undertook an audit, in collaboration with the Ministry of Water and Forests and the International Timber Trade Organisation (ITTO), of four major forestry concessions around the Minkebe National Park. Recommendations from that report will be used to improve forestry practices and develop wildlife management plans for these concessions.

WWF recommends in particular that China and Africa agree on a zero-tolerance policy on the illegal trade of timber and wildlife products. China should support responsible forest management, grant preferential treatment to commodities with rigorous sustainability certification and contribute to the development of green economies in Africa.

Working with Chinese companies to encourage responsible, long-term management of Gabon’s production forests will be key to their survival.

“We welcome the first steps from the Chinese government and companies operating in Gabon’s forestry sector, and we hope that in the future these companies become recognized as responsible forest managers operating in one of the planet’s most biodiverse places,” said Bede Makanga Moussavou, Manager, GFTN-Gabon.

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Or: *Jin Zhonghao, Manager, GFTN-China (zhjhin@wwfchina.org)*

READ MORE

- **Gabon - The Minkebe Programme**

wwf.panda.org/what_we_do/where_we_work/project/projects_in_depth/minkebe/

- **Music of the forest**

wwf.panda.org/?205572/Music-of-the-forest-a-way-forward-for-Gabons-cooperation-with-China

- **Congo Basin**

worldwildlife.org/places/congo-basin



Amur leopards, or panthera pardus orientalis, are the world's most endangered leopards.

WWF & GFTN work to preserve Amur leopard's habitat

The population of the world's most endangered leopard has grown in northeast China, where WWF is working actively to promote responsible forest management.

A field survey — conducted by the Jilin Forestry Department, WWF China and Wildlife Conservation Society — in Jilin province estimates that the population of Amur leopards has increased to between 8 and 11, nearly double the figure in 1998, when between 4 and 7 such leopards were estimated to live in the area. The results from the first-ever study to exclusively examine Amur leopards also showed that traces of the rare big cats are now being found over a much larger area in and outside of northeast China's Hunchun and Wangqing Nature Reserves, covering about 4,100 km², an area similar in size to French Polynesia. New evidence shows that the leopard's distribution area in China expanded further to the northwest and towards the Sino-Russian border in the east. This represents an area 3-4 times bigger than previous findings.

GFTN has played a key role in northeast China by promoting responsible forest management, key to the survival of the endangered Amur leopards and tigers. GFTN supports the Hunchun Forestry Bureau in obtaining and maintaining its FSC certificate — especially in HCVF identification — improving its forest management plan, and establishing monitoring sites and facilities. The Hunchun Forestry Bureau, which is located in the eastern part of Changbai Mountain in the Jilin Province, achieved FSC certification for 329,030 hectares of forest in April 2011.

In addition to the Hunchun Forestry Bureau, WWF has supported eight other forestry bureaus managing 1.5 million hectares of forest in northeast China or the WWF Amur-Heilong tiger landscape since 2004.

"Habitat loss is one of the key threats to species in China's northeast. Responsible forest management can ensure that the habitat of these endangered species is maintained and their population grows," said Jin Zhonghao, GFTN manager in China. "Not only are the Hunchun Forestry Bureau's forests located in WWF priority places, they are also in a production area that's central for wood products and has important market links."

Engaging Chinese forest concessionaires, especially in the northeastern part of the country, is critical to preserving the habitat of endangered Amur leopards, and its bigger cousin, the Amur tigers.

The distribution of the Amur leopard has been reduced to a fraction of its original range. It once extended throughout northeastern (“Manchurian”) China, including Jilin and Heilongjiang Provinces, and throughout the Korean Peninsula. But the species’ range was dramatically reduced in the 1970s in both China and neighbouring Russia, where the Amur leopard lost 80 per cent of its territory. In North and South Korea, Amur leopards have disappeared altogether.

Today, China’s Hunchun-Wangqing forest is a key area for the restoration of these endangered species.

“The results of this new survey show even more clearly that the Hunchun-Wangqing habitat is an important one for the Amur leopard, and that the nearby Changbai Mountain leopard population is essential to support the continued survival of the Russian Far East population group. The two areas are indispensable to the recovery of the global Amur leopard population, and are the greatest hope for expanding both the population and the habitat of the species,” said Dr. Zhu Jiang, head of WWF-China’s Northeast Programme Office.

For more information, contact:

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A farmer harvests hay in the Xianghai Reserve, a national forest and wildlife nature reserve in the Jilin Province.

READ MORE

- **Amur leopard**

wwf.panda.org/what_we_do/endangered_species/amur_leopard2/

- **Population of world’s most endangered leopard grows in China**

wwf.panda.org/wwf_news/?204487

- **Camera trap sighting of wild Amur leopard**

wwf.cn.panda.org/en/?3920/Camera-trap-sighting-of-wild-Amur-leopard-adds-evidence-to-possible-population-stability-of-species-in-northeast-China

CUTTING EDGE INSIGHTS

Interview with Bruno Perodeau, WWF Forest Programme Manager, Democratic Republic of Congo

In 2000, WWF established the Global Forest & Trade Network (GFTN) in Central Africa to support and guide logging companies that understand how responsible logging practices and trade can lead to important advantages in the international market. Today, GFTN-Central Africa facilitates access to markets where logging companies can sell their goods, and provides technical support to achieve certification in the countries of the Congo Basin, including Cameroon, Central Africa Republic, Democratic Republic of Congo, Gabon and the Republic of Congo.

Bruno Perodeau works as Forest Programme Manager with WWF in the DRC, collaborating with a dedicated team of experts forging partnerships between forest managers and processors, NGOs, governmental representatives, indigenous people and local communities who are all strongly committed to responsible forest management and trade along the whole forest supply chain, from the tropical forest to the retailer's shelf.

In this interview, Perodeau talks about WWF's work across the wider Congo Basin from his perspective in the DRC.

What are WWF's priorities for the forests of the Congo Basin for the next coming years?

BP: The forests of the Congo Basin continue to be at risk from unsustainable timber extraction, bushmeat trade and commercial forestry settlement markets, land clearing for agriculture and weak governance. Covering a total of over 181 million hectares, they constitute the second largest area of tropical forest left in the world and host an enormous wealth of biodiversity, including more than 11,000 species of plants, 1,000 species of birds and 400 mammals, amongst which are three of the four Great Apes species. They are also home to more than 40 million people who depend directly on the forest for their income and livelihood. Finally – and apart from the vital role they play for global biodiversity conservation – they also provide important ecological services such as carbon sinks that help to mitigate climate change.

As such, the forests of the Congo Basin remain one of the key priorities for WWF. We are working with different partners in the Congo Basin to restore and conserve ecological processes, reduce our human footprint and support local economies. Through GFTN, we focus on creating responsible forestry and trade practices that present the best opportunities for altering the global markets, challenging the future of this magnificent eco-region.

A long time ago, we understood that we wouldn't be able to achieve conservation goals on our own. That's why we are now strengthening our collaboration with different stakeholders in Central Africa to manage our forests more responsibly and to create global and local market access to responsible forest products: from private forest concession holders and processors to indigenous communities, and ultimately, through worldwide retailers. But there is still a lot of work to do, and we need to speed up our efforts to build a wider and stronger community that stands behind the concept of forest conservation.

© BRUNO PERODEAU/WWF-CARPO



*Bruno Perodeau, WWF
Forest Programme
Manager, Democratic
Republic of Congo*

Will efforts to introduce responsible forest management in DRC succeed in the longer-term? What do you think are the greatest challenges?

BP: We are convinced that responsible forest management in DRC will prevail one day. We only hope that this will happen fast enough to ensure the conservation of the large areas that are now situated outside of the protected areas and, as such, represent few or little safeguards for the tropical forest ecosystem. By the end of 2015, WWF would like to see all stakeholders actively participating in the implementation of some best practice pilot projects in the DRC that clearly demonstrate the benefits of responsible management, community involvement, conservation, trade, etc. to convince governments and politicians that this is the best participative model.

One of the remaining challenges is to raise awareness among civil society and political stakeholders as well as the forest industry sector about the urgent need to transform our consumption patterns and the way we produce and exploit our natural resources. We urgently need to change our behavior. Developed countries cannot ignore any longer their responsibility to maintain healthy ecosystems and promote the services they provide for all of us. The fact is that producing goods responsibly, respecting the environment, human rights and ensuring that communities receive a fair share of the benefits is not an easy task. It demands a lot of effort and financial means. I hope we can soon develop workable mechanisms in DRC, involving all stakeholders who will provide a stable platform for a commercial logging sector that will benefit wider society, forest dependent people and the development needs of the country.

GFTN & FSC Congo Basin Regional CREDIBLE Standard approved CERTIFICATION

The FSC Policy and Standards Committee (PSC) has delivered a positive approval decision for the Congo Basin Regional Standard.

The regional scope of the standard covers Cameroon, Republic of Congo, Gabon, Democratic Republic of Congo, Central African Republic and Equatorial Guinea.

The standard was effective on 1 September 2012, and will be used by all Certification Bodies (CBs) operating in the region. The standard and its relevant annexes can be downloaded from the FSC website.

Audits will take place over the course of the year and all existing clients shall be audited against the new standard by 1 September 2013 in order to remain certified, and any certificate against the old standard will be considered expired by FSC as of this date.

Where Major Corrective Action Requests (CARs) are issued as a result of a non compliance with a new requirement, the client may be granted the extended time of six months to close it. New requirements are those elements which are entirely new to the standard rather than rewording of previous requirements.

The following conditions will be applied following this approval:

- Condition 1: Streamlining the regional standard at country level with the approved FLEGT Legality Grids for each country, by the end of June 2012;
- Condition 2: Field test at national level by the end of 2012;
- Condition 3: Integrate HCV guidance once it is ready at the international level by the end of 2012;
- Condition 4: Transfer to the new P&C by the end of the International Generic Indicator process in 2013.



Kim Carstensen has been appointed the new Director General of FSC.

FSC appoints new Director General

FSC's international Board of Directors is pleased to announce that Kim Carstensen has been appointed FSC Director General, starting October 1st.

Kim Carstensen brings an extraordinary track record in multi-stakeholder leadership on complex social and environmental issues. He is an international specialist in a wide range of conservation and development issues who, in recent years, has focused on global climate issues, a topic of critical importance to FSC. Carstensen will succeed Andre de Freitas, who has provided superb leadership to FSC for the past five years. Carstensen founded Fair Green Solutions in 2011 after 20 years of executive experience with WWF, first as the General Secretary of WWF-Denmark and then as director of WWF's Global Climate Initiative.

"I'm truly excited by this opportunity to lead FSC," noted Carstensen. "Since its establishment, the Forest Stewardship Council has demonstrated an unmatched potential to be a genuine game-changer for sustainable forest management globally. FSC is in a strong position already, but I am convinced that it can grow much further in coming years, and I look forward to being part of this opportunity and the challenges that come with it."

"In Good Company": GFTN participates in FSC event



FSC's former Director General, Andre de Freitas, addresses participants at FSC Friday.

FSC held its premier event, "In Good Company", on 27-30 September in Brazil, bringing together international and national companies, FSC staff and partners like WWF to exchange information on important issues related to forestry.

Attendees discussed topics such as the growing importance of smallholder and community forestry, strategic opportunities in the green building sector, the relationship of forest legality efforts with FSC certification and the market potential for FSC's upcoming online claims platform as a tool to support transparency and traceability in the marketplace.

WWF/GFTN managers actively participated in workshops on these critical issues. Keila Hand, Senior Programme Officer, GFTN-North America, talked about the role of forests, plantations and the pulp and paper sector in a world where the population and fibre needs are growing, emphasizing the need for responsibly sourced paper products and how certification plays a role in ensuring good forestry practices. Daniel Arancibia, Regional Coordinator, GFTN-Latin America & the Caribbean, discussed the role of public and private procurement in building a value chain that places emphasis on forests, in a session on public and private consumption as a tool to grow sustainability.

New opportunities for collaboration between FSC and GFTN in Latin America were discussed, including the uptick of group certification for small producers, increasing the marketing benefits for community based products and improving modular approaches to certification. The two organizations identified synergies that can be created under GFTN's new Global Strategy, which places strong emphasis on the global-to-local approach.

"In Good Company" was the first FSC event celebrated outside Germany, and marked the last public event attended by outgoing Director General, Andre de Freitas. Bahia State, where the event was held, is located in a WWF priority place and is home to the important historic remnants of the Atlantic Forest. The region has more than 400,000 hectares of FSC certified plantations, representing one of the biggest FSC certified areas in Brazil.

FSC certified forest area in Germany set to double by 2014

Last year was an important year, politically-speaking, for FSC in Germany. In several federal states, the political landscape changed with the election of more “FSC-friendly” state governments.

The Green Party gained power in Baden-Wuerttemberg and Rhineland-Palatinate in southwest Germany, and this led to the decision to certify their federal forests to FSC standards. With the recertification of 117,400 hectares of forest in North Rhine-Westphalia at the end of 2011, a total of 633,636 hectares of forest were already managed according to FSC requirements in Germany. The addition of forests in Baden-Wuerttemberg and Rhineland-Palatinate signifies the expansion of this area by some 447,400 hectares.

The Baden-Wuerttemberg forest agency is aiming to achieve FSC certification by the start of 2013 and the first stakeholder meeting has already been held in July 2012.

In Rhineland-Palatinate, 45 forest districts are expected to achieve FSC certification in the next two years.

This development, which is an important milestone for FSC growth in Germany, was warmly welcomed by leading environmental NGOs and social associations. FSC certification ensures that the environmental and social aspects of forest management will receive greater attention from political decision-makers, while the public demand for responsible forest management will also be met.



GFTN & MARKET TRANSFORMATION

First GFTN-Vietnam member achieves FSC certification

Forexco, The Forest Products Export Company of Quang Nam, has obtained Forest Stewardship Council (FSC) certification for nearly 1,500 hectares of forest in Da Nang city and Quang Nam central province.

Forexco is the first member of GFTN-Vietnam to obtain FSC certification and overall the sixth in the country. It is among the businesses pioneering responsible forest management and following the Chain of Custody (CoC), which is in line with the requirements of the Forest Law on Enforcement, Governance and Trade (FLEGT) Initiative for timber exports to European markets. Forexco is also prepared to meet the requirements of a Voluntary Partnership Agreement (VPA) that Vietnam is expected to sign with the EU in 2013.

“This achievement is beneficial to both environmental protection and Forexco’s business,” said Le Cong Uan, Coordinator, GFTN-Vietnam. “As a highly credible certification recognised worldwide, FSC becomes a necessary element for timber companies to conquer the demanding international markets.”

“It’s challenging for private small and medium companies to follow FSC because of high investment of management, fee for certification and technical requirements. GFTN-Vietnam is happy to support Forexco to lift its management systems to a sustainable level that meets international environmental, social and economic standards,” he added.

Forexco began working towards FSC certification in 2006. However, due to a land use tenure issue, the project was delayed until July 2011. Since then, two assessments have been conducted — the pre-assessment in October 2011 and the main assessment in August 2012.

“We are very happy and proud to receive this highly credible certification. With assistance from WWF, this achievement is the result of a collective effort and high commitment from our company to reach FSC standards,” Forexco’s Director Pham Phu Thong said. “Together with the CoC certificates we have in our four factories, this forest management certificate will show our customers that Forexco’s wood supply chain is sustainable and controlled at every stage, from raw materials to final products. This really is an outstanding advantage for the future.”

“We will continue to grow FSC-certified forest areas, focusing on the forests owned by our loan borrowers and whose forests, which border our forest area in order to increase the value and productivity of their forest. We do hope that once the local people are encouraged to follow FSC criteria, they will better understand FSC, its value and biodiversity services,” he added.

For more information, contact:

Le Cong Uan, Coordinator, GFTN-Vietnam (uan.lecong@wwfgreatermekong.org)

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Forexco’s planted acacia forest, which was certified by FSC.

GFTN participant Kimberly-Clark launches sustainable bath tissue in the UK

Kimberly-Clark in the UK has launched Andrex Eco, the market leader's first truly pioneering sustainable toilet tissue that's set to revolutionise the 'eco' sub-category.

Andrex Eco is the first such product that is made from an innovative combination of sustainable sources: 90 per cent recycled fibre and 10 per cent natural bamboo. A unique manufacturing process combines these fibres and the product, which is fully FSC certified, comes in 100 per cent recycled and recyclable packaging.

"Through sourcing of new materials and technology we are able to produce a toilet tissue using recycled fibre that we are happy will meet the expectations of quality and softness that our consumers expect," said Jon White, Kimberly-Clark's European marketing director for tissue products. "The eco sub-category currently only represents 3.5 per cent of the toilet tissue market, but we know there is greater demand for a quality sustainable product, so there's a real opportunity for us as market leader to raise the bar in terms of quality and softness and meet the high expectations and needs of consumers."

Andrex Eco's introduction in the market marks the first time that bamboo has been used in toilet tissue by a major brand in the UK. Bamboo is a relatively new fibre in Europe and has considerable opportunities for the future. It's one of the fastest-growing plants in the world, and produces significantly more fibre, on less land, than trees traditionally used to make tissue paper.

Aligning with existing Kimberly-Clark fibre and sustainability policies in the UK, the bamboo sourced for Andrex Eco is FSC certified. The recycled fibre that makes up 90 per cent of the Andrex Eco product is sourced from the UK and Ireland.

"With great demands on our forests worldwide, we are pleased to see Kimberly-Clark innovating to promote the use of recycled fibres in combination with FSC-certified bamboo," said Julia Young, Manager, GFTN-UK. "Creating a softer product like Andrex Eco could open the door for greater consumer uptake and help us all play a part in moving to a more sustainable lifestyle."



The Andrex Eco toilet tissue is made from a combination of recycled fibre and bamboo.

The recycled paper is 100 per cent sourced from the UK and Ireland and is a mixture of post-consumer and post-industrial.

For more information, contact:

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GFTN participants ahead of target in FSC certification of beverage cartons

FSC labels are quickly becoming a hot item on German breakfast tables. That's because half of the beverage cartons sold in the country today – more than 4 billion per annum – are now FSC-certified, a major shift from just two and a half years ago when no cartons held the FSC label.

FSC is rapidly gaining visibility in Germany, thanks to a commitment by the country's top three suppliers, including GFTN participants SIG Combibloc and Tetra Pak. The two, along with Elopak, have set a goal to achieve 85 per cent FSC certification of beverage cartons and labeled packages by 2015, but a recent survey shows that the three companies are well ahead of their target.

There is growing momentum among retailers in Germany to address the issue of sustainability and demonstrate to consumers they are frontrunners in sourcing responsibly produced paper products. The recent surge and accompanying push to actively advertise the benefits of FSC certification has made Germany a leader among its European counterparts when it comes to FSC-labeled beverage cartons.



© SIG COMBIBLOC

The first FSC labelled beverage cartons in Germany.

“This positive development in Germany will help increase the brand awareness of FSC and responsible forestry worldwide and across industries,” said Johannes Zahnen, Manager, GFTN-Germany.

SIG Combibloc, which became a GFTN participant in 2009, was the first to introduce FSC-labelled beverage cartons in Germany. Today, it is the only beverage carton supplier in the world that has 100 per cent FSC Chain of Custody (CoC) certification for its paper board supply and all its production facilities and sales units, a milestone that it achieved in the end of 2009. The company has set an ambitious target of having 40 percent of all its cartons worldwide FSC-labeled by the end of 2014.

“Being one of the leading system suppliers for aseptic beverage and food cartons, we take responsibility for the responsible sourcing of our main raw material paper board. To guarantee this we decided to go with the FSC system, as FSC offers the highest standards on a global level, which are supported by all major NGOs,” said Michael Hecker, Head of Environment, Health & Safety at SIG Combibloc. “Another important element in our strategy is to cooperate with other key players on the WWF/GFTN platform in order to increase and promote the use of FSC labeled products at all levels, as we are strongly committed to promoting responsible forestry worldwide.”

In 2010, SIG Combibloc launched China's first FSC-labelled cartons and has, in recent years, introduced FSC-labeled beverage cartons in the US as well. GFTN has helped SIG Combibloc progress towards its targets of increasing FSC labels by helping evaluate the market, providing valuable opinion on the benefits of FSC certification and promoting FSC.

Tetra Pak, a leading food processing and packaging solutions company, has been a GFTN participant for its global sourcing of paperboard through GFTN-Sweden since 2006 and has adopted the stepwise approach for all its global sourcing of paper. The company sources about two million tons of paperboard each year from paper mills around the globe and the resulting containers are used by people in more than 170 countries.

Tetra Pak launched the first ever FSC labelled beverage carton in partnership with UK-based retailer Sainsbury's. Today, over 50 per cent of Tetra Pak's cartons in Brazil, Germany, Argentina, UK, Belgium, Switzerland and the Netherlands are FSC-labelled, and for 2012 the company forecasts more than four billion FSC-labelled cartons to be sold in China alone, and more than seven billion in Brazil.

"Tetra Pak is proud to be a pioneer and one of the leading promoters of responsibly managed forests, having offered its customers the FSC label since 2007. The programme was launched in the UK and has reached more than 20 countries so far. FSC is an important part of our ambition to ensure long term sustainability of our business and environment," said Mario Abreu, Director of Forestry and Recycling at Tetra Pak. "Having fully certified packaging material is essential for us and the future of the material we are dependent on. Almost as important is to increase consumer's awareness about the value of choosing credibly certified products, which provide for a better management of resources, thus reducing our footprint on our planet."

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GFTN NOTES FROM THE FIELD

Bolivian forestry: bringing together communities and companies

Bolivia, once a leader in responsible forest management with more than two million hectares of FSC certified forests, has faced a significant change in forest governance over the last decade. A new regulatory framework has resulted in a progressively larger ownership of forests that are owned by rural communities, resulting in a loss of certified productive forest area in Bolivia. But there is renewed momentum in the country to move towards credible certification and safeguarding the forests and communities that depend on them.

Taking the new reality into account and moving ahead with a new strategy in place, GFTN is re-assessing its way of working in Bolivia to ensure that we guarantee a sustainable future for the Bolivian forestry sector.



A reforestation project being undertaken by GFTN participant Multiagro in the Andes.

In August, I was fortunate to join GFTN-Bolivia Coordinator María del Carmen Carreras on a weeklong trip visiting various GFTN participants to witness our engagement activities firsthand. Since 2006, GFTN-Bolivia has been working with a broad array of actors in the forestry sector, ranging from artisanal toymakers and international timber trading companies to small-scale community enterprises in the highlands of the Andes Mountains. During the trip we visited several

participants and potential participants in La Paz, Cochabamba and Cobija, making an inventory of the issues these parties are facing and at the same time learning of the opportunities in the market.

Two cases present compelling evidence of progress and push toward certification in Bolivia. First, an afforestation project involving 20 highland communities has led to the creation of roughly 15,000 hectares of forest in Zapata Rancho. Ten of the community plantations are currently FSC certified and two have both the FSC and FairTrade certifications. Dual labeling not only safeguards the ecological and social values of managing these plantations, but also safeguards the economical value through generation of additional income for communal forest owners.

A second case is that of GFTN participant Multiagro, which is purchasing timber from FSC certified community forests. These communities are currently making their living from the collection of Para nut, *Bertholletia excels*, also known as Brazil nut. There is potential to work more collaboratively with and provide capacity building to an additional 16 communities in the Amazon managing roughly 250,000 hectares to help them progress toward responsible forest management and timber extraction while safeguarding the production capacity of the Para nut in these forests.

In Cobija, we visited a number of potential participants that demonstrated similar cases. The forests are rich in timber, Para nut and natural rubber, with the latter serving as a traditional source of income for many forest inhabiting communities. But what these communities lack in most cases is access to the market. Meanwhile, companies lack the skills for dealing successfully with communal forest owners. GFTN-Bolivia plays a crucial role in building bridges between these two parties and ensuring that the interests of the communities are safeguarded, and that the responsible management of these forest areas is realized and maintained for the future, while finding financially lucrative opportunities for companies.

The way forward for responsible forest management in Bolivia, and arguably in many other countries, is to capitalize on the wealth these forests have to offer while simultaneously safeguarding the forests and communities that depend on them. Through its new strategy and global-to-local approach, GFTN will continue to build bridges between forest owners and market actors that impact these forests.

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María del Carmen Carreras, GFTN-Bolivia Coordinator, and Gjís Breukink, Responsible Forestry Coordinator, at the Cobija Airport, where WWF-Bolivia is co-managing a forest reserve.

FACES OF GFTN



Elyrice Alim

Elyrice Alim

GFTN Officer, WWF-Malaysia

Elyrice joined WWF-Malaysia as a GFTN officer in June, 2012, and is based in Kota Kinabalu, Sabah. Prior to joining WWF, Elyrice worked in an environmental consultancy firm for more than two years as an executive, mostly doing EIA and monitoring work. Elyrice also served two years in a maritime consultancy firm as a contract researcher. She graduated from Universiti Malaysia Sabah in 2007, with a B.Sc. in Environmental Science.



Zhai Lei

Zhai Lei

Forest Programme Officer, WWF-China

After graduating with a Master's degree in Forest Management at Nanjing Forest University in July 2008, Lei worked for the China National Cereals, Oils and Foodstuffs Corporation (COFCO), the largest state-owned foodstuffs import and export holding company in China, until autumn 2011. At COFCO, Lei was dispatched to work in Gabon in Central Africa, where he assisted two factories, invested in by COFCO, pass the FSC and OLB-COC certifications. As the person in charge of forest management in Gabon for the COFCO Group, Lei is familiar with many species of tropical trees and specializes in managing forests by Geographic Information System (GIS), including the inventory of forest, logging and transportation. Lei also has experience in personnel and equipment management. Lei joined WWF-China in January, 2012.



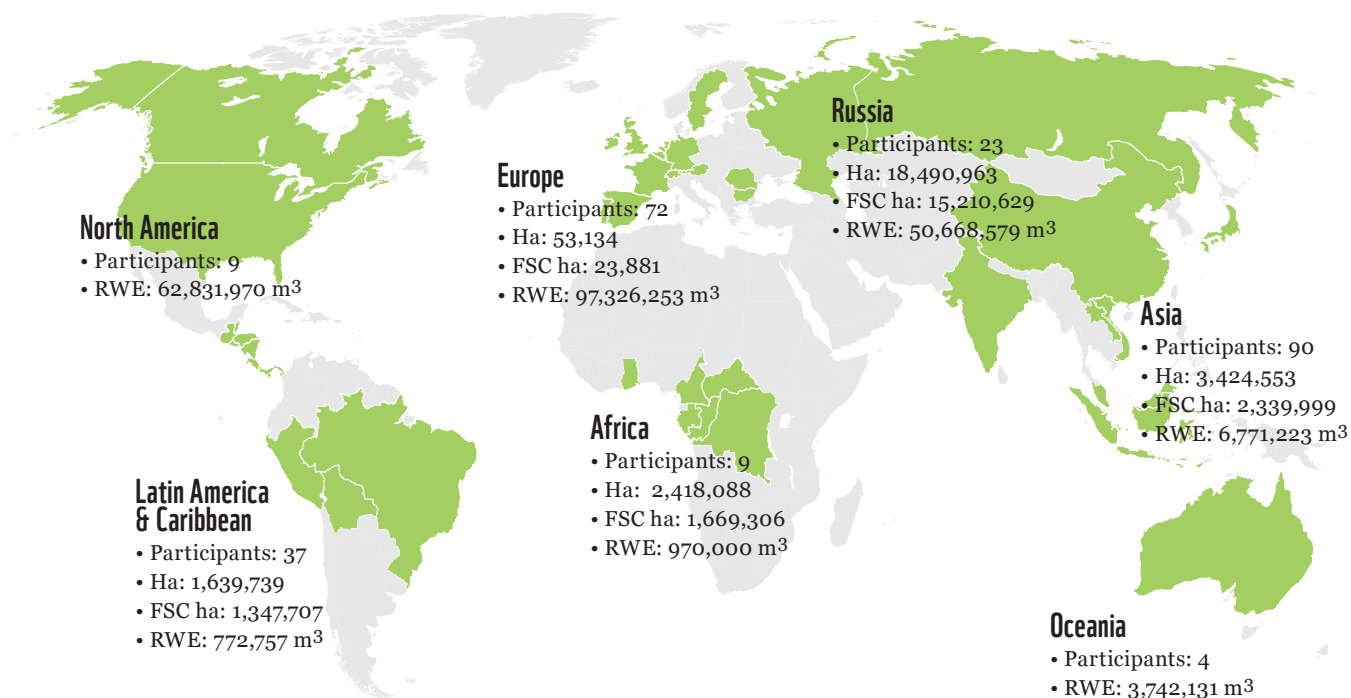
Merzyta Septiyani

Merzyta Septiyani

Responsible Trade Officer, WWF-Indonesia

Merzyta has been working with WWF-Indonesia for almost two years. With Forest Resources Conservation as her educational background, she previously worked as Project Assistant in the Kayan Mentarang National Park Project in East Kalimantan. Merzyta was involved in a project titled Promoting Collaborative Management in Conservation Area as part of FORCLIME-GIZ programme (an Indonesian-German technical collaboration on Forests and Climate Change), where she administered the project's needs and reporting. Both the Kayan Mentarang National Park and GFTN work activities sites are included in the Heart of Borneo (HoB) working area so it was the first time Merzyta engaged with GFTN. Currently, she supports the timber trade industry's facilitation towards Best Management Practice (BMP) and FSC certification process. Merzyta holds a Bachelor's degree in Forestry Studies from Bogor Agricultural University and graduated in 2010.

GFTN AT A GLANCE



GFTN TOOLBOX

Barking up the right tree?

WWF

A study of UK local authorities' timber procurement policies.

http://assets.wwf.org.uk/downloads/wwf_timber_report.pdf

WWF Living Forests Report Chapter 4: Forests and Wood Products

This chapter explores how we can meet future demand for wood products within the finite resources of one planet.

http://www.panda.org/what_we_do/how_we_work/conservation/forests/publications/living_forests_report/

GFTN GLOBAL STATS

17%

Trading by GFTN participants represents 17% of every forest product brought or sold internationally every year, with combined annual sales of US\$64 billion

250

GFTN encompasses nearly 250 global companies, employing more than 1.5 million people worldwide

20 MILLION

GFTN participants manage more than 20 million hectares of FSC certified forests, with 6 million hectares in progress towards credible certification

220 M³

GFTN participants trade more than 220 m³ of timber and fibre, totalling 14% of global timber trade

13%

GFTN participants are responsible for about 13% of the global total of FSC certified forest area



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To stop the degradation of the planet's natural environment and to build a future in which humans live in harmony with nature.

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