



Message from the Director

This past spring was a time of promising developments for the Global Forest & Trade Network (GFTN). Among other accomplishments, we received word from the European Community that we are the recipient of a grant to strengthen our forest & trade networks and reduce illegal logging in Asia

and Africa. We also entered into a partnership with the Tropical Forest Foundation to accelerate sustainable forest management and reduced-impact logging in Latin America, Asia, and Central Africa. At the same time, GFTN progress as measured by expanding participation in forest and trade networks, forest area committed to credible certification by our participants, and trading links

between supplying and purchasing participants continued steady growth.

Perhaps the most significant driver of these measures of GFTN progress were developments in Russia. Membership in GFTN's forest & trade network in Russia has grown from three in early 2003 to 17 with financial support from IKEA and USAID and technical input from the GFTN. The network's core objectives are to create market links for member products; provide technical assistance in forest management and chain of custody (CoC) certification; and assist members with communications and lobbying work with

government, NGOs, and the media. The members, which include some of Russia's largest producers of logs, sawn timber, and pulp and paper, manage 1.8 million hectares of FSC-certified forests and a combined forest lease area of over 12 million hectares. The vast majority of these hectares are now committed, through membership in the association, to credible certification over the next 10 years. In addition, there are now a significant number of new applicants to the group, including small, medium, and large producers from all regions in Russia including Siberia and the Russian Far East.

GFTN progress is by no means limited to Russia. We have a busy summer planned as we begin to implement our collaborations with the European Union and Tropical Forest Foundation and push ahead to make markets work for forests and forest-dependent people in the regions where we work. We will also roll out new ways of telling you about the progress we are making, including more frequent updates and case studies of particularly interesting projects. I hope you will have a refreshing and productive summer as well!

— Per Rosenberg
Director

WWF Global Forest & Trade Network

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Tropical Forest Foundation Joins Forces with WWF GFTN

In February, World Wildlife Fund (WWF) and the Tropical Forest Foundation (TFF) entered into an agreement recognizing their mutual interest in promoting responsible forestry and providing economic opportunity by increasing the trade in responsible wood products. This partnership is designed to accelerate sustainable forest management and reduced-impact logging (RIL) practices.

"By working together, WWF and TFF will be able to accomplish more to promote responsible forest management than either of us could working alone," said Bruce Cabarle, Director of the WWF-US forest program. *"The TFF RIL program fits well into the WWF Global Forest & Trade Network's stepwise approach for the achievement of certification."*

TFF and WWF will collaborate on many activities, including developing pilot projects between GFTN and TFF programs in Brazil, the Guianas, Indonesia, and Central Africa that link producer group members and RIL-verified products to the market. Contingent upon its success, the pilot program will be expanded to other regions. TFF and WWF will also help develop and implement guidance for purchasing companies to support producer groups and RIL-verified products, as well as investigate ways to fund joint efforts.

Under the agreement, TFF will support the development of RIL training facilities in Southeast Asia, Latin America, and Africa and facilitate access to RIL training for production-oriented members of the GFTN and other interested parties.

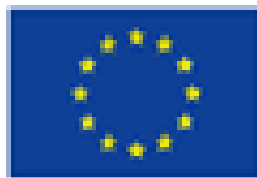
WWF will encourage potential GFTN members to utilize RIL training and the RIL-verified program. Through GFTN, WWF will provide a framework and the tools for stepwise improvement in forest management, links to responsible buyers for RIL participants involved with producer groups, and communication about stepwise improvements in forest management. WWF will also actively educate its network of family offices on the key elements of the agreement and related activities and progress.

"TFF's track record of delivering on-the-ground RIL training and other sustainable forestry principles



combined with the World Wildlife Fund's global outreach presents a win-win opportunity for both organizations and for tropical rainforests," said TFF President Carl Gade.

European Commission Approves 3.5 Million Euro Grant in Support of WWF GFTN in Asia and Africa



The European Commission (EC) has approved a grant worth nearly €3.5 million (US \$4.2 million) over five years to support the GFTN's efforts to improve management of forest resources and prevent illegal

logging of tropical forests in Africa and Asia. The grant will strengthen the ability of corporations and communities that produce forest products to implement stepwise approaches to achieving forest certification and timber tracking systems, and to verify that their forest products are legally produced.

Funding from the grant will be used to establish six GFTN forest & trade networks (FTNs) in ten countries; develop criteria, guidelines and policy recommendations for definition and verification of legal sources of forest products; produce 60 action plans for certification and legal verification of forest products; develop practical guides for forest certification and legal verification; and increase capacity for forest certification and legal verification of forest products through training and demonstration projects. The efforts will contribute directly to the implementation of the European Union (EU) action plan for Forest Law Enforcement, Governance and Trade.

The unsustainable and often illegal harvesting of forests represents a major threat to tropical forest ecosystems and their associated biodiversity in the targeted African and Asian countries. Illegal harvesting activities also threaten the livelihoods of local communities and undermine the efforts of both private and public sector organizations to develop viable approaches to forest management. At the same time, there is increasing demand among buyers of forest products for products that are verified as legal and certified as responsibly produced.

"WWF's GFTN is the largest market-driven initiative to eliminate illegal logging and improve forest management in the world. Our membership includes 400 committed purchasers of forest products and a growing list of producers," said Darius Sarshar, GFTN's producer group coordinator. *"This grant from the European Commission will help us to significantly increase capacity in Asia and Africa to bring forest products from legal and responsibly managed sources to market."*

News from the Regions

Europe

Around 80 companies and industry organizations have signed a statement which supports the proposed EU action plan for Forest Law Enforcement, Governance, and Trade, but claim that self-regulation and voluntary measures are not sufficient to tackle the problem of illegal timber trade. The companies called upon the EC and EU governments to adopt new EU legislation which makes it illegal to import all illegally-sourced timber and wood products into European markets. The statement was presented to the EC in May. Around 65% of the companies and organizations that signed are GFTN members. The company statement is in line with WWF's call for additional legislation to outlaw the import of illegally sourced/logged products to Europe. Contact Margareta Renstrom, GFTN Europe Coordinator, at margareta.renstrom@wwf.se.

WWF is cooperating with other NGOs regarding paper issues in the European Environmental Paper Network. The aim is to develop a joint European NGO vision for the paper industry. Such a vision statement will help NGOs coordinate their efforts more effectively and present a consistent message to industry, consumers, and governments. Contact Margareta Renstrom at margareta.renstrom@wwf.se.

The German association of window molding producers, Initiative Pro Holzfenster (IPH), consisting of 350 small and medium sized companies, forwarded various market enquiries with an annual value of around \$2 million per annum to GFTN's Malaysia forest and trade network (FTN) in January 2005. The queries have sparked the interest of Malaysian Wood Moulding & Joinery Council, which has invited WWF to meet with their Board next quarter to introduce the Malaysia FTN and begin identifying suitable suppliers for the German initiative. Contact Johannes Zahnen for more information at zahnen@wwf.de.

A study for the UK Timber Trade Federation and UK Department for International Development (DFID) concluded that verified legal or certified hardwoods, specifically hardwoods from outside of Europe, command price premiums of up to 30% in the UK. Certified softwoods did not command a premium because of greater availability and better distribution. Trade in certified products now dominates a large section of the UK softwood trade. The study can be found at www.forestandtradeasia.org.

GFTN's *Responsible Purchasing of Forest Products* has been translated into Swedish. The publication was designed as a tool to help businesses implement purchasing policies that enhance forest management practices and eliminate illegal logging in valuable and threatened forest ecosystems around the world. Contact Lena Dahl at lena.dahl@wwf.se.

Asia

WorldZone is officially a new participant in GFTN's Malaysia forest and trade network (FTN). World Zone is Malaysia's leading exporter of garden furniture, with customers predominantly from Europe, North America, Japan, and Australia. The company's five major suppliers are also working with WWF to conduct baseline appraisals and develop action plans related to responsible wood sourcing. Contact Sanath Kumaran at skumaran@wwf.org.my.



Controlled directional felling in FSC-certified tropical rainforest producing Meranti timber for use in garden furniture, Northern Malaysia.

(c) WWF-Canon / Edward PARKER

The Malaysia FTN held a two-day exhibition and open forum on *Market Links Between Producer and Consumer Countries in the Timber Industry* in Sabah, Malaysia. Over 60 representatives of companies holding natural forest management units and representatives from private, government, and academic associations were in attendance. The effort succeeded in raising awareness of the GFTN and its objectives as well as providing WWF staff with valuable feedback on stakeholder perceptions and needs. Contact Sanath Kumaran at skumaran@wwf.org.my

Asia (continued)

The Japanese companies Canon Sales Co., Inc. and Ricoh Co. Ltd., have joined GFTN Japan forest and trade network members Fuji Xerox Co., Ltd. and Mitsubishi Paper Mills Ltd., in adopting paper purchasing policies, emphasizing the need for sustainably sourced paper. Contact Eishi Maezawa at emaezawa@wwf.or.jp.

GFTN Japan member Fuji Xerox Co., Ltd., in collaboration with its affiliate Fuji Xerox Office Supply Co., Ltd., ITOCHU Corporation, and Oji Paper Co., Ltd., shipped the first cargo of FSC certified woodchips to be used for copy and printer paper that Fuji Xerox will supply starting this summer. The 12,000 tons of woodchips were produced from eucalyptus trees in New Zealand owned by Southland Plantation Forest Company of New Zealand Ltd. The plantation company is partly owned by Fuji Xerox and Fuji Xerox Office Supply. The woodchips will be processed into FSC-certified paper for copy machines and printers bearing the Fuji Xerox brand for use in Japan. Contact Eishi Maezawa at emaezawa@wwf.or.jp.

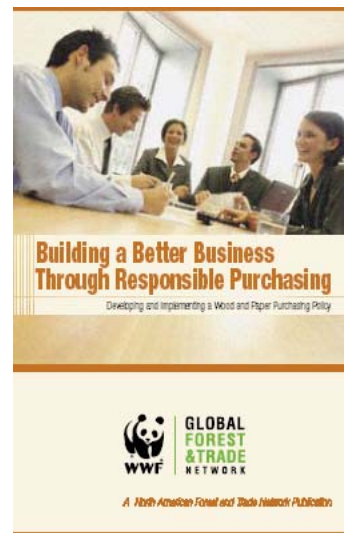
A Japanese electric supply company, Tokyo Electric Power Company (TEPCO), has established a process to recycle wooden walkways into ecological paper. The process was designed in cooperation with one of the GFTN Japan forest and trade network's members, Ichise, a paper supplier. TEPCO has been maintaining wooden walkways in a Japanese national park called Oze Reserve, which is recognized as the most valuable marshland in Japan. TEPCO will use the recycled paper internally for various publications, name cards, etc. The surplus will then be sold by Ichise with the brand name "Oze". Contact Eishi Maezawa at emaezawa@wwf.or.jp.

WWF Japan and Mie Prefecture Government convened a seminar and exhibition of FSC-certified products. The event was intended to promote FSC forest and chain of custody certification in the area. It attracted approximately 160 participants from various sectors including timber and plywood manufacturers, home builders, furniture manufacturers, academics, local authorities, and NGOs. Contact Eishi Maezawa at emaezawa@wwf.or.jp.

WWF China participated in the first International Smart and Green Building Technologies and Products Conference and Expo in Beijing, March 28-30. In a presentation to the conference, WWF China alerted participants of the environmental and social impacts of illegal logging and unsustainable clearing and harvesting, as well as introduced the Chinese version of GFTN's *Responsible Purchasing of Forest Products*. Contact Jin Zhonghao at zhjhjin@wwfchina.org.

North America

GFTN's North America forest and trade network – working in collaboration with Metafore - published a responsible purchasing guide entitled *Building a Better Business Through Responsible Purchasing*. The publication was designed as a



tool to help businesses implement purchasing policies that enhance forest management practices and eliminate illegal logging in valuable and threatened forest ecosystems around the world. Direct and indirect business benefits are laid out for implementing sensible, accountable wood and paper purchasing policies including stronger supply chain relationships, enhanced brand integrity,

increased customer loyalty, and gains in employee satisfaction and retention. Contact Jennifer Biringner at jennifer.biringner@wwfus.org.

Africa

GFTN's forest and trade network (FTN) in Ghana has secured additional funding from the DOEN Foundation and the ICCO (Interchurch Organisation for Development Cooperation), both of the Netherlands. This funding will help facilitate effective community participation in joint forest management plans for FTN participant forests as required by Ghana forest certification standards. The project will involve the production of model social responsibility agreements (SRAs) between local communities, the state Forest Services Division, and FTN concessionaires. The SRAs will define the mechanisms for benefit-sharing of harvesting revenues, contribution of forest management operations to local employment and development, and ongoing local consultation on forest management planning. The project will produce best practice guidelines on how to prepare effective and equitable SRAs. Contact Abraham Baffoe at akbaffoe67@yahoo.com.

Latin America & Caribbean

Jagwood+, GFTN's forest and trade network for Latin America and the Caribbean, has facilitated the first sale of FSC-certified wood from Panama. The teak and amarillo from Futuro Forestal, a German-Panamanian Reforestation and Service Company, was purchased by The Smithsonian Tropical Research Institute (STRI) for its Punta Culebra Exhibition Centre, located in the Amador region of Panama City. Jorge Ventocilla, Administrator of STRI's Exhibition Centre, said that *"at our Tropical Research Centre we are very conscious about the materials we are using. We believe in the necessity of certifying wood and we are going to install an educational board about FSC certification in the centre."* Contact Noemí Pérez, Director of Jagwood+, noemi@wwfca.org.

Jagwood+ organized a "buyers' mission" featuring products from forests under responsible management and wooden furniture certified by the Forest Stewardship Council (FSC). Participants included representatives of the companies Exportimo (Peru), Ecohout (Holland), Plywood Orozco (Nicaragua) and the Centro Mueblero, Ferretería Central and Cadena de Muebles RM (Costa Rica). Communities from the North Atlantic Autonomous Region (RAAN) of Nicaragua in the process of obtaining certification were the lead producers for this activity. The presence of high level buyers demonstrated the demand for certified products. This mission allowed the producers to recognize that their products have high quality, but that they must always improve their systems to increase sales and become competitive internationally. Contact Noemí Pérez, Director of Jagwood+, noemi@wwfca.org.

Frank Chang of Nicaraguan company Hermanos Ubeda discusses operations with visitors during the Jagwood+ buyers mission.



With technical support from WWF Peru on chain-of-custody certification (COC) preparation, and market links provided through the GFTN, Triplay Amazonico SAC, a Peruvian plywood company, successfully obtained its COC certificate and is importing certified veneer from CIKEL in Brazil. This linkage was facilitated by the GFTN, which passed product requirements from Triplay on to potential suppliers. Contact Raul Dance at raul@wwfperu.org.pe.

WWF Central America has recently started a new GFTN initiative in conjunction with the USAID-funded DECO-DARIEN project. The DECO-DARIEN project is managed by U.S.-based NGO ACIDI/VOCA in Panama's Darien region. The initiative is designed to develop an indigenous producer-oriented GFTN forest and trade network comprised of five communities in the Rio Tupiz watershed. The group will implement a forest management model to add value to the forest and provide sufficient economic returns to compete with illegal logging, improve quality of life, and protect the various ecological, cultural and social values of the indigenous communities. Contact Steve Gretzinger at sgretzin@wwfca.org.

With funding from USAID and the WWF/World Bank Forest Alliance, WWF Central America and the GFTN recently developed a user-friendly software program to facilitate the tracking of wood from legal and/or certified forest operations. This work was designed for application in Nicaragua to comply with CITES II, FSC, and responsible purchasing policies from buyer-oriented forest and trade networks around the world. This system will be modified for use by the Peruvian forest products industry. WWF Central America is also coordinating activities with the International Wood Products Association (IWPA) to ensure that its members are involved. Contact Steve Gretzinger at sgretzin@wwfca.org.

WWF and Jagwood+ sponsored the well-known annual furniture fair, Nicamueble, in Nicaragua from February 10 to 13. More than 4,000 people attended the fair, where various companies were able to promote their certified products originating from responsibly managed forests. *"Jagwood+'s participation and information stand were especially important for educating furniture buyers and producers about the urgent need to use products from forests certified for their sound management,"* said Noemí Pérez, Director of Jagwood+. Thirty-four fabricators of products from high-quality decorative woods were present at the fair, along with makers of doors, flooring and plywood. Contact Noemi Perez at noemi@wwfca.org.



Jagwood+ Director Noemí Pérez (in grey suit) discusses the GFTN approach with visitors at Nicamueble.

Latin America & Caribbean (continued)

The GFTN's community producer group in Brazil, WWF-Brazil, CTA (Centro dos Trabalhadores da Amazonia) and GFTN's São Paulo buyers group participated in a conference to discuss relationship improvement, innovative solutions for challenges in production and logistics, trading systems, and alternative species. The meeting gathered more than 35 people, consisting of buyers, producers, and NGO representatives. The community producer group shared its 2005 production season data and strategy to improve its supply capacity and services to buyers. By the end of the conference, more than 450 m3 of FSC- certified lumber were ordered by designers, architects, and other small and medium sized companies based in São Paulo. This doubled the amount from the previous year. Contact Estevão do Prado Braga at estavao@wwf.org.br.

FSC Brazil is launching the II Certified Brazil Trade Fair and the First Latin American Trade Fair of FSC Certified Products, April 18-20, 2006. The fair will promote business opportunities between FSC-certified producers from all of Latin American and consumers from all over the world. This event is organized by FSC Brazil and major partners. More information can be found at www.brasilcertificado.com.br.

GFTN Notes

Fourteen new companies have joined WWF's GFTN, bringing the total participation in its forest and trade networks to 401. These participants include 31 producers and 370 buyers. The producers have committed over 12.9 million hectares of forests toward credible certification in Brazil, Nicaragua, Ghana, Indonesia, Malaysia, and Russia. The buyers have a total annual turnover of US \$30 billion in forest products. To date, GFTN has facilitated 54 market links between responsible purchasers and responsible producers of forest products.

The GFTN is pleased to announce that Kerry Cesareo assumes the position of GFTN coordinator for North America effective July 1. Kerry has distinguished herself as the GFTN's operations manager, managing complex budgets and overseeing several successful funding relationships. In her new capacity, Kerry will oversee development of the GFTN's relations with North American forest products companies, with an emphasis on the implementation of responsible purchasing policies. Contact Kerry at kerry.cesareo@wwfus.org.

The GFTN also welcomes Estevão do Prado Braga, a forester with more than 8 years of experience with FSC forest certification and the forest industry, as GFTN coordinator in Brazil. Estevão previously worked with Imaflora in Brazil

coordinating the chain of custody certification program, and with Metafore as an international market associate developing information about U.S. market for tropical wood products. Estevão will be responsible for creating market links for community forest products from the projects supported by WWF Brasil. Contact Estevão at estavao@wwf.org.br.

The GFTN is seeking candidates for the position of Operations Manager. The Operations Manager will provide project management support to members of the GFTN in locations throughout the world. To apply, please visit <http://www.worldwildlife.org/about/jobs.cfm>.

Global Alliance Update

Much of the funding for WWF's GFTN is generated by seed funding from USAID under the Sustainable Forest Products Global Alliance (Global Alliance). A public-private partnership among USAID, Metafore, and WWF, with additional support from a range of corporate, government, and civil society organizations, the Global Alliance has leveraged



USAID's seed funding of US \$4.4 million to secure over US \$9 million of additional cash and in-kind support. Important corporate partners supplying programmatic support and funding include The Home Depot and IKEA.

The Global Alliance is in its third year. See http://www.usaid.gov/our_work/environment/forestry/forest_initiatives.html for complete information.

Global Alliance co-founder Metafore is working to give businesses the knowledge and tools they need to mesh operations with environmental and social goals. One project of Metafore, the Paper Working Group, is in the midst of testing the Environmental Paper Assessment Tool (EPAT), a Web-based tool that allows buyers and suppliers to better communicate about and measure the environmental attributes of paper. The initial prototype of the EPAT is scheduled for piloting in September by the 11 Paper Working Group companies and nine additional early adopters. Metafore also recently enhanced the Forest Certification Resource Center, an online destination for those seeking up-to-date information on forest certification. This resource houses factual information about forest certification systems and features a searchable database of certified forests and product suppliers world-wide. For more information on Metafore, visit <http://www.metafore.org> or call +1 503.224.2205.

metaFore

GFTN Executive Management Group

Secretariat

Per Rosenberg, Director
improsenberg@telia.com

George White, Global Market Links Coordinator
georgewhite@blueyonder.co.uk

Darius Sarshar, Global Producer Group Coordinator
dsarshar@yahoo.com

Operations Manager
Position Vacant

Mark Hurley, Communications Manager
Mark.hurley@wwfus.org

Regional Coordinators

Margareta Renstrom, Europe Coordinator
margareta.renstrom@wwf.se

Rod Taylor, Asia Coordinator
RodTaylor@wallacea.wwf.or.id

Elie Hakizumwami, Africa Coordinator
EHAHIZUMWAMI@wwfcarpo.org

Kerry Cesareo, North America Coordinator
Kerry.cesareo@wwfus.org

Steve Gretzinger, Latin America & Caribbean Coordinator
sgretzin@wwfca.org



**GLOBAL
FOREST
& TRADE
NETWORK**

The Global Forest & Trade Network is WWF's initiative to eliminate illegal logging and improve the management of 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 the world's forests while providing economic and social benefits for the businesses and people that depend on them.

The GFTN welcomes your response to information published in the Bulletin, write to gftn@wwfus.org.