

# GFTN Report

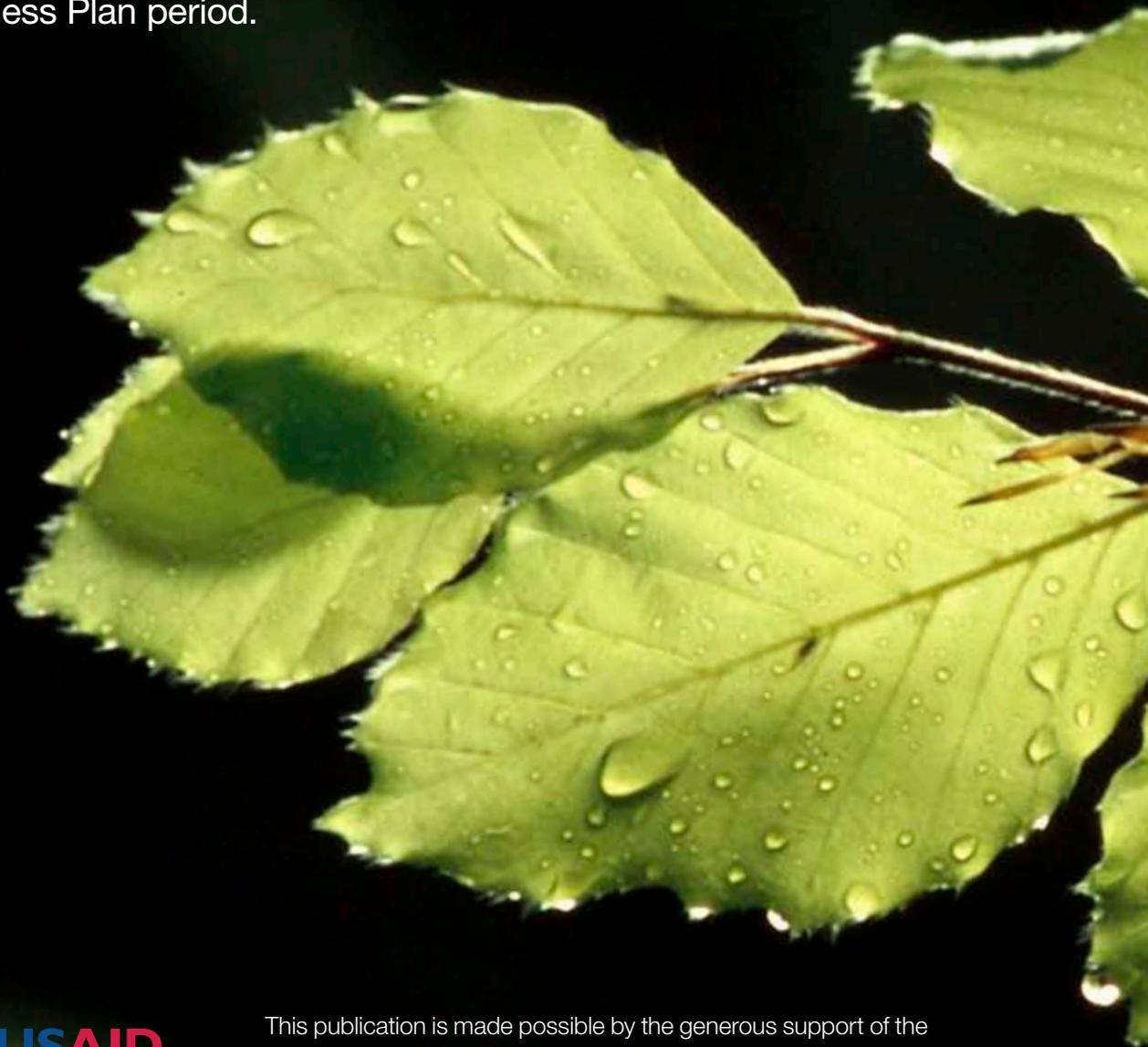
2005-2007



**GLOBAL<sup>®</sup>**  
**FOREST**  
**& TRADE**  
**NETWORK**

The Global Forest & Trade Network vision is to transform the global marketplace into a force for saving the world's valuable and threatened forests, while providing economic and social benefits for the businesses and people that depend on them.

This *GFTN Report 2005 – 2007* has been produced to reflect upon the considerable achievements in responsible forestry and trade that were attained during the GFTN Programme's last Business Plan period.



This publication is made possible by the generous support of the American people through the United States Agency for International Development (USAID). The contents are the responsibility of WWF and do not necessarily reflect the views of USAID or the United States government.

# A Letter from Rod Taylor

The Global Forest & Trade Network (GFTN) has worked diligently over the last decade to raise the awareness of responsible forest management and trade and the benefits of credible certification.



The GFTN has made impressive progress, particularly in poorly governed places where good forestry is the exception not the norm. These are the places where forest certification can really make a difference. However, conditions in these locations present enormous challenges to companies trying to achieve certifiable standards of social equity and environmental care.

The GFTN meets these challenges in a number of ways. First, the GFTN's stepwise approach allows a company to make a commitment to achieving certification, and then assists them in meeting time-bound milestones towards credible certification. Second, the GFTN offers technical assistance and training in areas where performance improvement is needed. Third, the GFTN facilitates business-to-business communications and trade links among its participants. This means that the forest company can begin to realise business benefits even during the transition to improved performance on a certifiable level.

Illegal and unsustainable logging practices are a threat to the long-term viability of the entire forest products industry. To combat these things, the GFTN has set strategic objectives for the coming years. Building on the lessons learned over the last decade, the GFTN will more effectively promote responsible forest management and trade, increase its portfolio of credibly certified forest area, build the value and brand recognition of the programme within the industry, and deliver services to participants with even greater efficiency and transparency. As a network of responsible businesses, the GFTN can do much to reduce markets for illegally sourced wood and strengthen forest management capacity where it is needed most.

A handwritten signature in black ink that reads "R. Taylor". The signature is stylized and enclosed within a large, sweeping loop.

**Rod Taylor**  
Director  
Forests Programme  
WWF International



## Introduction

The Global Forest & Trade Network (GFTN) is WWF's initiative to eliminate illegal logging and drive improvements in the management of valuable and threatened forests. GFTN aims to mainstream the principles of responsible forestry as standard practice throughout the forest products industry by developing technical assistance, partnerships, and trade opportunities with committed companies.

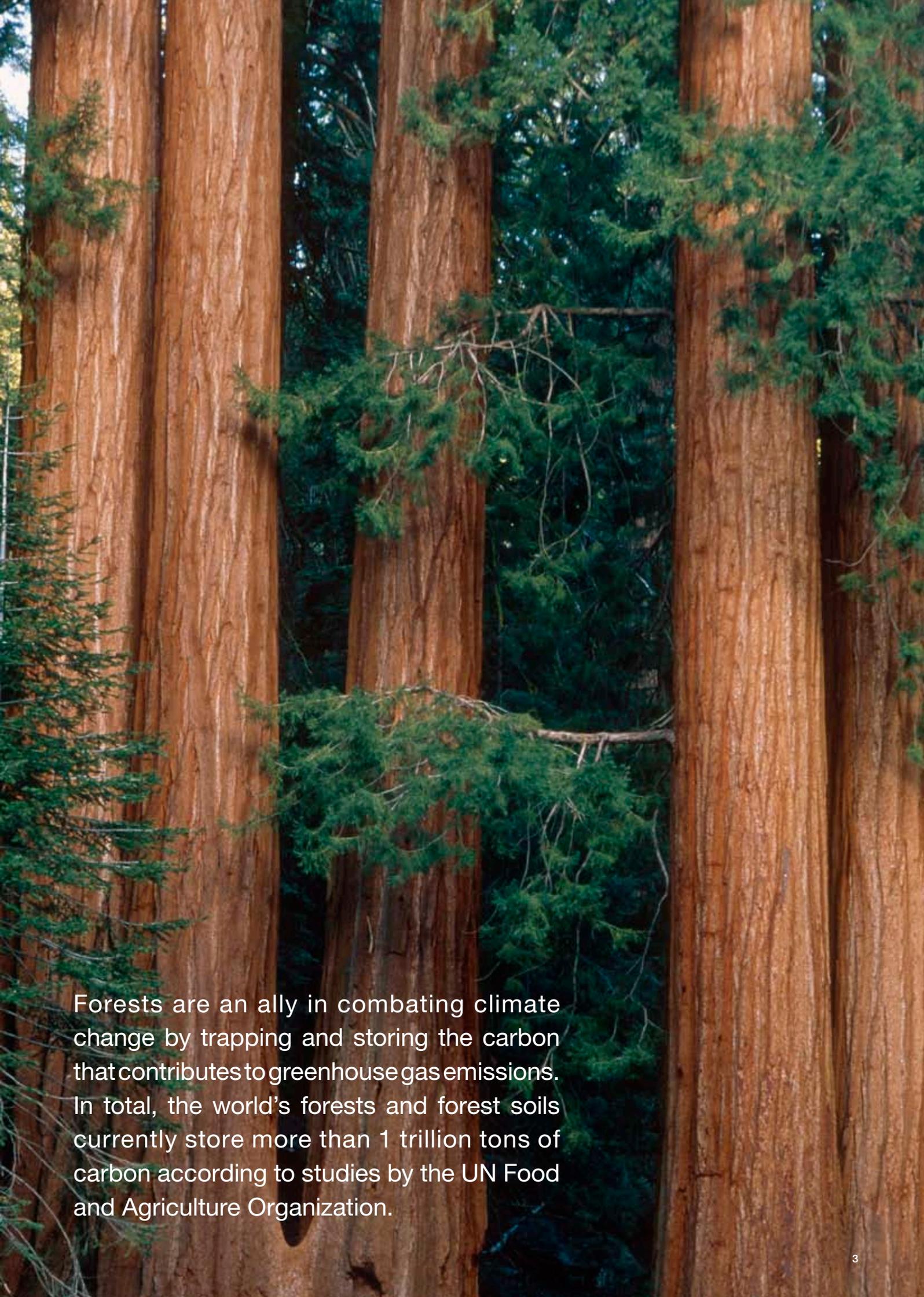
By facilitating trade links between companies committed to achieving and supporting responsible forestry, the GFTN creates market conditions that help conserve the world's forests while ensuring economic

and social benefits for the businesses and people that depend on them.

The GFTN advances responsible, and eventually credibly certified, forest management through on-the-ground technical assistance and by increasing market demand for, and trade of, responsibly produced timber products.

To provide the incentive for responsible forest management, the GFTN works through supply chains connecting buyers committed to responsibly harvested and traded forest products with forest managers who are certified or progressing towards certification.





Forests are an ally in combating climate change by trapping and storing the carbon that contributes to greenhouse gas emissions. In total, the world's forests and forest soils currently store more than 1 trillion tons of carbon according to studies by the UN Food and Agriculture Organization.



## The Forests: The Facts

The world's forests are a vital resource, providing economic and environmental benefits to all of us. Forests filter the air we breathe and the water we drink, reduce soil erosion, and act as a natural carbon storage shelter, buffering against global warming. Moreover, forests are estimated to harbour more than two-thirds of the world's plants and animals. According to The World Bank, forests contribute directly to the livelihoods of nearly 1 billion people living in extreme poverty around the world.

In spite of their importance, the world's forests are under attack. In *The State of the World's Forests 2007*, the UN Food and Agriculture Organization estimates that forest loss continues at a rate of 13 million hectares (ha) per year. This unprecedented

rate of forest loss is seen especially in places like the Amazon, Borneo, the Congo Basin and the Russian Far East. In tropical countries, forests are regularly cleared for large, industrial oil palm and soybean plantations, as well as for short-term economic staples such as rice. This clearance has resulted in forest fires that have destroyed millions of hectares of forest. The fires have not only resulted in extensive forest loss, but have contributed to climate change by releasing carbon dioxide, a greenhouse gas, into the atmosphere.

Illegal logging is often the first link in a chain of events that opens access to forest frontiers. Access to the forest via logging roads exposes it to threats of fire and unregulated conversion to large-scale agricultural development. Illegal



logging and associated trade is defined as timber harvested, transported, processed or bought and sold in violation of national or sub-national laws. Illegal trade in forest products depresses timber commodity prices by an average of 7 to 16 per cent and results in \$5 billion per year lost in government tax revenues. In the Congo Basin, as much as 30 per cent of the timber harvested is believed to be illegal. The same is believed to be true for the Russian Far East. In Indonesia, WWF estimates that almost 60 per cent of timber is unlawfully extracted.

Fortunately, illegal logging can be challenged through the principles of responsible forest management and conscientious purchasing. WWF believes that by managing the world's forests sustainably and responsibly, it is possible to supply the entire world's wood requirements while at the same time maintaining its biodiversity. In places such as the Amazon, Borneo, the Congo Basin and the Russian Far East, responsible forest management is the best hope for conserving the world's last great forest while also providing economic benefits to those who depend on them.



# WWF's Solution: Responsible Forest Management Through the GFTN

As a global conservation organization, WWF seeks to preserve Earth's ecological systems and ensure the protection and continuity of forests, forest species, and the communities that depend on these natural resources. Recognizing that realistic and viable solutions must be found globally as well as locally, WWF established the GFTN to eliminate illegal logging and drive on-the-ground improvements in forest management in valuable and threatened forests.

There is a clear role for the forest products industry to play in encouraging responsible forest

management and trade. Companies involved in the forest products industry can effect positive change by working with partners such as WWF's GFTN. Through responsible forest management and trade verified by credible certification, companies can avoid the use of illegal timber and promote forestry that does not lead to unnecessary and excessive forest loss.

The GFTN is a global programme that leverages markets to maintain the ecological and economic sustainability of forests. The programme comprises suppliers, producers and purchasers from across



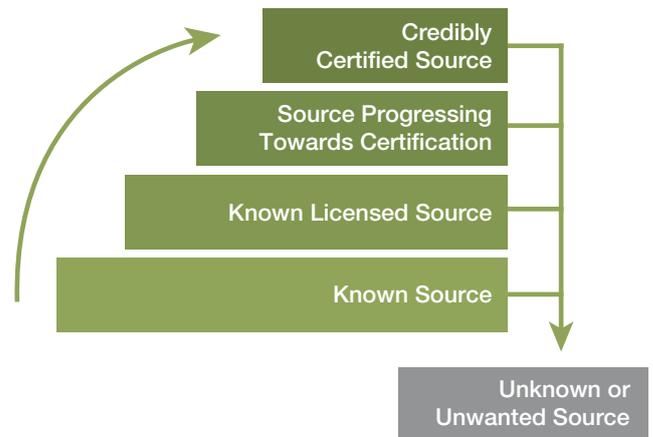
the spectrum of the forest products supply chain. The programme offers a reliable path toward legal and certified forestry, providing companies with a stepwise model based on responsible management rather than overexploitation. This model is also shaped by the belief that responsible forest management and trade are sound business practices. Credible certification schemes, such as those offered by the Forest Stewardship Council (FSC),

**‘We started working with the GFTN back in the middle of the 1990s... it has really become such a great network across the whole world. We have been linked with responsible producers and manufacturers and now we are seeing the chains start to link up and work’.**

**—Charles Drewe**  
Sustainable Business Manager  
Homebase

provide a means by which GFTN Participants can ensure the credibility of the forest products they purchase as well as guarantee their buyers that their forest products are legally produced.

The GFTN uses an unconventional approach to combating illegal logging by making a compelling business case to companies working throughout the forest products industry supply chain. This is



complemented by additional benefits: GFTN participation provides access to dependable sources of responsibly produced timber, mitigates risks to company brand value while strengthening positive consumer perception, and builds recognition for progressive companies as industry leaders. GFTN-facilitated market links between responsible producers and suppliers help level the playing field for legitimate operations that might otherwise struggle with depressed timber prices.

Participants in the GFTN are helping to transform the global forest products market by increasing the demand for products from well-managed forests. This demand is further leveraged in the market by Participants exerting pressure throughout their own supply chains for responsibly produced or certified products. When companies choose not to buy illegally produced forest products they are making a conscious decision to move the entire market towards greater accountability. Through partnerships with like-minded businesses, forest products companies can ensure a reliable timber supply, embrace corporate responsibility, and join the community

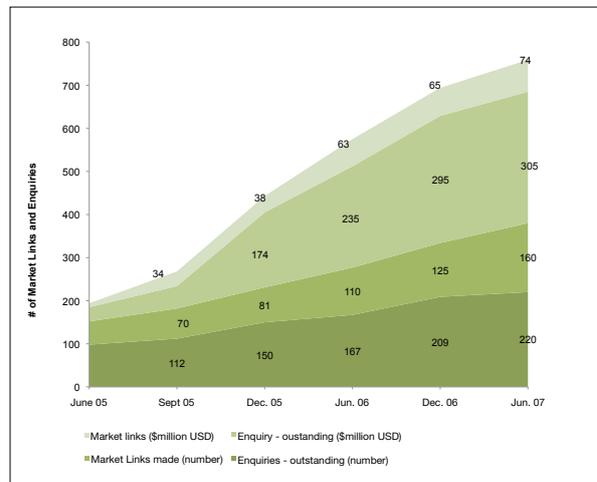
of businesses helping to lead the industry to a new era of responsible management coupled with environmental and social stewardship.

In 2005, the GFTN set out to create a global marketplace, where trade in credibly certified forest products was the prevailing business practice. This ambitious goal yielded a set of measurable and time-based objectives that addressed the key foci of its work. Simply put, the GFTN met the following objectives by the end of 2007:

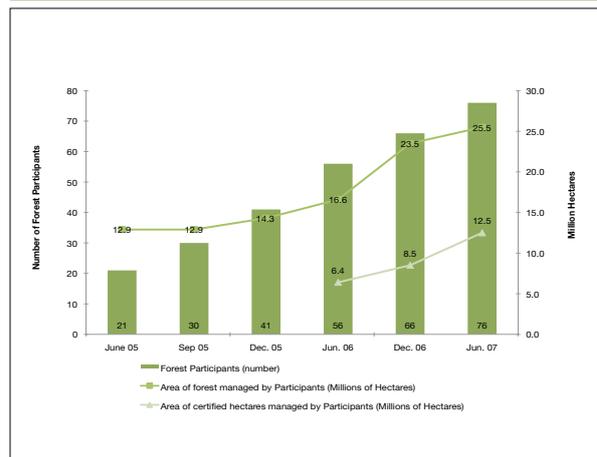
- **Engaged over 300 strategically chosen companies in the adoption of the *Responsible Purchasing Guide***
- **Developed and established a GFTN presence in key tropical timber production regions (which are also global priorities for conservation) in Malaysia, Indonesia, Vietnam, Cameroon, Gabon, Brazil, Peru and Bolivia**
- **Ensured the creation of a market links mechanism for GFTN Participants to better enable them to respond to market demands with ease and efficiency**
- **Established GFTN as the dominant certification support programme and global mechanism for ensuring credible certification through a stepwise approach**

The GFTN has acted as a change agent in helping to transform the forest products industry through connecting forest managers and producers with a network of buyers committed to responsible purchasing. This approach has provided the necessary economic incentives to make the transition to responsible forest management a viable option for these producers in some of the most challenging places in the world.

### GFTN Market Links



### GFTN Forest Participants



The GFTN's bold market links approach has been essential to its achievements. Throughout the world, the GFTN regularly receives and answers enquiries from manufacturers, processors, traders, retailers and other end-users wanting to purchase materials and product from certified and well-managed forests. This has resulted in over 160 trade deals made among GFTN Participants, and indicates a strong demand for responsibly produced forest products and the gradual shift of the global market.



# The Story of the GFTN

The emergence of the GFTN began in 1991 with a groundbreaking initiative of a small but visionary group of companies based in the United Kingdom. These pioneers began to notice a trend among their customers: they wanted to know where their forest products came from, and under what conditions they were produced. This led these companies to team up with WWF to improve the global timber trade. They also committed to responsible sourcing and agreed to exert pressure through their own supply chains to encourage responsible forest management wherever they could throughout the world. This newly formed association later led the development of credible certification schemes such as the Forest Stewardship Council (FSC) in 1993.

By 2000, this “WWF-UK 95 Group” had inspired other groups across North America, Europe, and Asia to support responsible forest management.

The innovative efforts of this group helped propel the initiative which would later become known as the Global Forest & Trade Network. By 2002, the GFTN had become an established association of national Forest & Trade Networks (FTNs), extending its reach into Central and South America, Africa, Eastern Europe, and Southeast Asia. In 2003, the GFTN took another major step in working with forest managers to assist them in the stepwise approach to forest certification through the development of a modular approach to credible certification.

Working with all parts of the supply chain, the GFTN catalyzed a transformation within the forest products industry by bridging the gap between unfulfilled consumer demand for responsibly produced products and the available supplies. Building on this opportunity for change, the market demand created has helped drive the industry towards responsible forest management and trade throughout entire supply chains.





# Our Work Across the Globe: 2005 – 2007

## Supplying Market Demand



### United States & United Kingdom

Estimates of FSC-labeled sales are valued in excess of \$20 billion annually, demonstrating that the call for responsibly produced products is not just a trend, but an international phenomenon driven by conscientious consumers. Many of these consumers are companies based in the United States (U.S.) and the United Kingdom (U.K.) that have realized that operating with responsible purchasing policies is good for both the environment and their bottom line. According

to the FSC, 42 per cent of all businesses pursuing certification have done so at the request of a partner company.

The GFTN helps to raise market awareness about illegal and unsustainable logging, assisting companies in realizing the important role they play in combating irresponsible harvesting. A study by Seneca Creek Associates estimates that illegal logging depresses timber prices by 6 to 17 per cent. Companies that acknowledge the direct impact they have on the market through the volume of raw material they purchase and trade can improve the management of forests by using their purchasing power to bring about change.

Companies based in the U.S. and U.K. are particularly well positioned to contribute to the fight against illegal logging. The U.S. is the largest consumer of industrial timber, pulp and paper in the world, and the United Kingdom is the fourth-largest. Both countries are among the top destinations for wood from areas where illegal logging and poor forest management are common, such as Indonesia, Malaysia and China. Research also indicates that the U.K. is the world's third-largest importer of illegally harvested or traded timber and wood products, after China and Japan. This makes the transformation of both U.S. and U.K. markets critical to protecting forests worldwide.

Johnson & Johnson, the world's largest manufacturer of health care products, joined the GFTN in 2006. With the assistance of GFTN-North America, Johnson & Johnson used the GFTN Forest Products



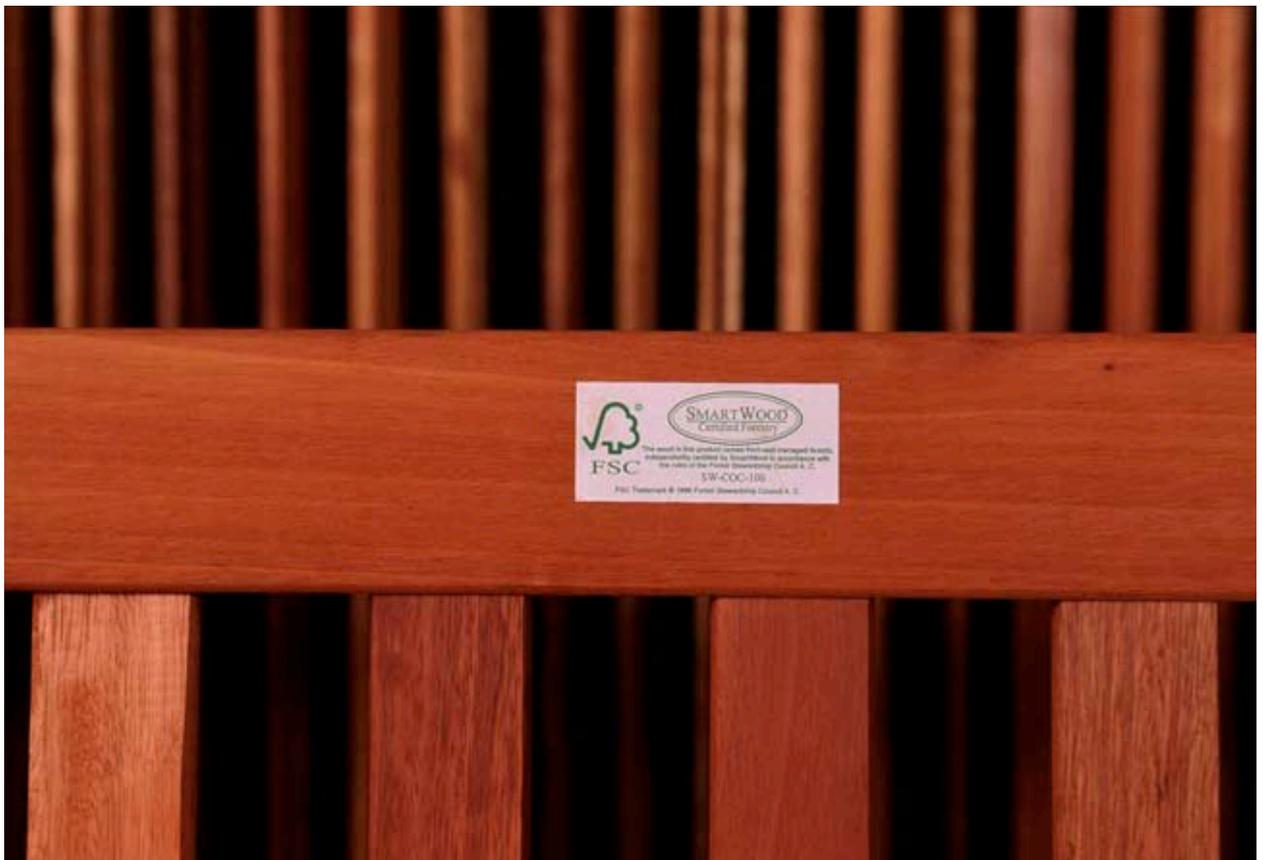


Supplier Questionnaire to establish a baseline in determining the environmental status of their products and sources. From there, Johnson & Johnson was able address gaps in their purchasing policies in order to responsibly source the paper used in their offices and product packaging.

In 2005, Homebase, a “do-it-yourself” retailer, became the first U.K. home improvement merchant to obtain FSC Chain of Custody (COC) certification with the help of GFTN-United Kingdom. The GFTN’s *Responsible Purchasing Guide* and *Keep It Legal* manual were used by Homebase to move through a stepwise approach to achieving credible certification. Today, Homebase is recognized as a major market

leader in pursuing and promoting FSC certification and the use of certified products.

U.S. and U.K. businesses are connected around the world through the GFTN, which provides the access to market demand and trade facilitation needed for a company’s suppliers to pursue credible certification. GFTN participants commit themselves to tracing their timber and paper products back to the forest source, which enables them to identify and move towards products from credibly certified forests. These efforts have resulted in over 12.5 million ha of credibly certified forests now being managed by GFTN Participants around the globe.





## Managing Manufacturing in East Asia



### **Vietnam & China**

East Asia is the centre of the world's manufacturing industry. China and Vietnam (which is sometimes referred to as "mini-China") are key production markets for forest-based goods. Virtually everything fabricated in these two countries goes to primary consumer markets such as the United States, the European Union and Japan. Unfortunately, much of the raw material used in these products is tainted by unlawfully harvested or irresponsibly managed wood.

The rapid growth of the forest products market in East Asia has placed China and Vietnam at an increased risk of importing unlawfully sourced forest materials. Over the past 10 years, China's export of wood furniture has increased an average of 19 per cent annually and its plywood exports have increased tenfold. Vietnam has tripled its export of manufactured wood products.

Bound by government logging bans, both countries import the majority of their wood from places like the Amazon, Borneo and the Russian Far East, where

illegal logging is diminishing huge expanses of forest at an alarming rate. In this case, the market demand for products such as garden furniture and wood-based panels poses a direct threat to the existence of some of the world's most valuable forests.

Recognizing the potential negative impact of the Vietnamese and Chinese manufacturing industries on the world's forests, the GFTN works on the ground with businesses advocating responsible forest products operation and trade. Support from Vietnam's Ministry of Agriculture and Rural Development helped launch GFTN-Vietnam in October 2005. In the same year, GFTN-China was established in both Hong Kong and Beijing.

Engaging Chinese and Vietnamese manufacturers, the GFTN is helping this industry establish responsible purchasing policies, work towards eliminating illegal timber from supply chains, and increase demand for credibly certified forest materials. Priority has been given to raising the awareness of these companies about the market risks associated with potentially tainted supply chains. One of

the key consequences for manufacturers sourcing from unlawful forest operations is being unable to compete in the growing market for responsibly produced goods.

The GFTN has heightened the realization of this market risk among some Chinese and Vietnamese companies, and facilitated their ability to compete in this fast growing market. GFTN Participants in these

countries have yielded \$9 million in trade relationships with other GFTN Participants and generated an additional \$17.1 million in market requests from consuming countries. Through facilitating trade relationships between manufacturers in East Asia and other GFTN Participants in places such as Africa, Latin America, and Russia, companies are better able to compete in an increasingly more conscientious global market.



# Achieving Credible Certification in Africa



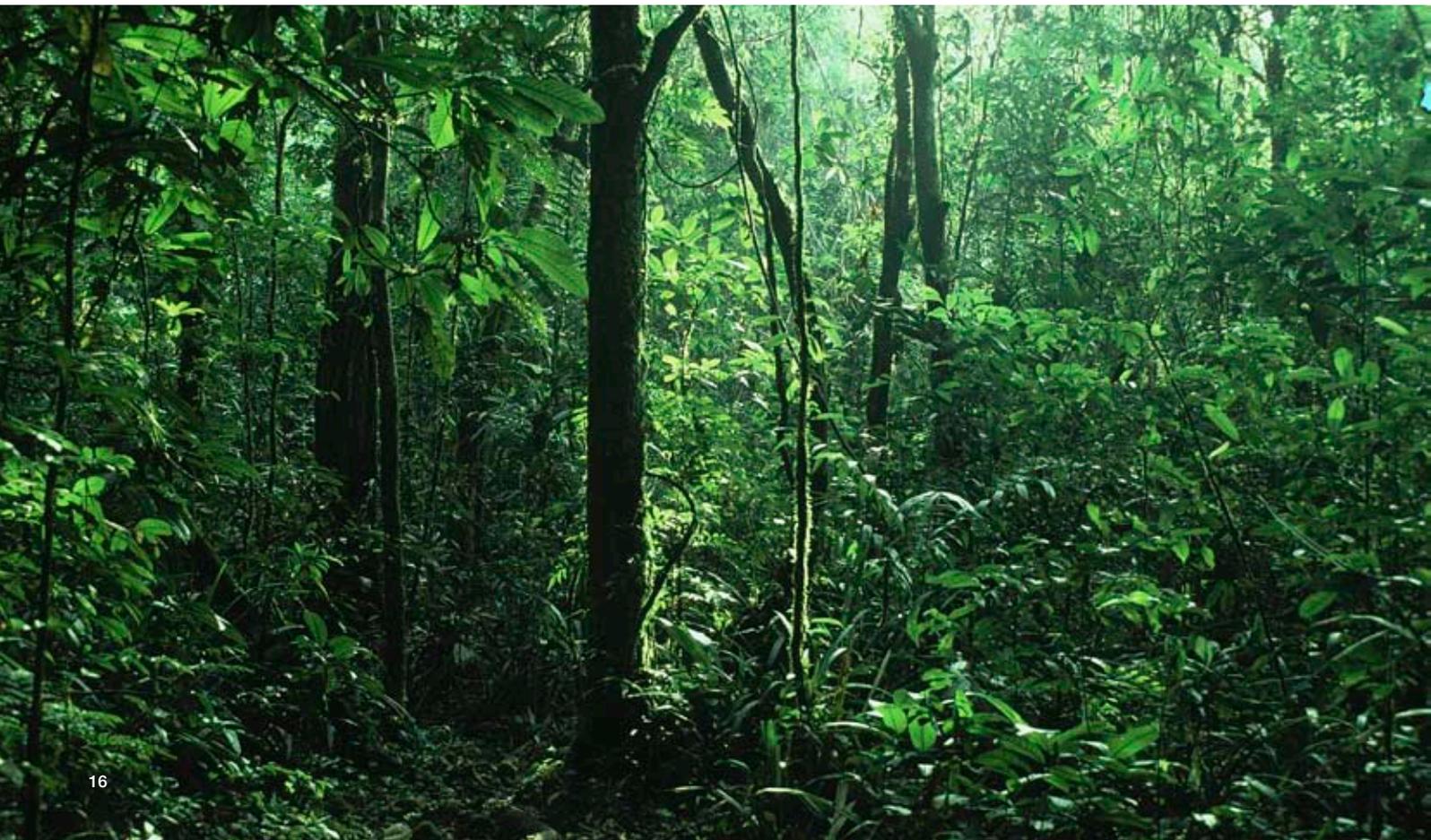
## Central Africa & Ghana

Forests in the Congo Basin are home to over 10,000 plant types, 1,000 bird groups, and 400 mammal species. They are also disappearing at a rate twice that of the world's average, according to the UN Environment Programme (UNEP). WWF estimates that by 2040, 70 per cent of Congo Basin forests will have disappeared unless direct and successful action is taken. Nonetheless, the integrity of this region faces multiple burdens with illegal logging and related activities reinforced by corruption and weak governance.

In the fight against illegal logging, GFTN-Central Africa was established in 2002 to promote responsible

forest management and trade. Against seemingly impossible odds, considering the region's political instability and corporate corruption, GFTN has succeeded in securing commitments to credible certification for over 2 million ha of Congo Basin forests. To date, approximately 25 per cent of Cameroon's production forests are actively managed by GFTN Participants, with further commitments to responsible forest management and trade on the horizon.

GFTN-Central Africa has also played an important role in supporting enabling conditions for credible certification in Africa. Central African heads of state signed a declaration of their commitment to supporting responsible forest management, acknowledging certification as an important tool in maintaining the





viability of this resource. African states have also created regulations further promoting favourable conditions for responsible operators through tax incentives and the lifting of restrictive customs policies.

The Guinean Moist Forests in West Africa also face significant forest management challenges. To help safeguard the remaining Guinean Moist Forests, GFTN-Ghana was established in 2004 to provide technical assistance to forest managers and build local capacity for responsible management.

Forestry is the fourth most important provider of foreign exchange in the country, making the forest a valuable economic resource to the government.

Demonstrating international market demand for certified products enabled GFTN-Ghana to convince Ghanaian forest companies of the need to proceed with credible forest certification.

Today, the GFTN is working with Ghanaian companies and managing approximately 50 per cent of Ghana's production forests. The commitment of these companies to credible certification has been motivated by international buyers demanding products from well-managed forests. GFTN-Ghana Participants exemplify the industry's voluntary commitment to sustainability, while the GFTN continues to leverage international market pressure to influence credible certification in one of the most challenging areas in the world.





## Advancing Community Forestry in the Amazon



### **Bolivia, Brazil & Peru**

Each year, the Amazon loses forested areas equal in size to the state of New Jersey. The illegal logging of natural forests compounded by poor forest management has accelerated this rate of loss. According to WWF, more than 33 million people rely on the Amazon for their homes and livelihoods, including the indigenous communities living in this fast-disappearing forest. The GFTN works in the forests of Bolivia, Brazil and Peru, engaging communities in the responsible management of their forest resources and making an on-the-ground impact on illegal logging in the Amazon.

Only a few years ago, legally operating producers and indigenous communities were unable to compete against the illegal logging market that accounted for half of the wood traded nationally in the Amazon. Additionally, indigenous groups had no access to markets within the forest products industry.

Between 2005 and 2007 the GFTN established new programme offices in Brazil, Bolivia and Peru. GFTN-Brazil came into existence at the end of 2005, raising awareness of the benefits of responsible forest management in the Amazon. GFTN-Peru was announced less than a year later, in November 2006, building on the growing momentum of responsible

harvesting and production in the region. GFTN-Bolivia launched in 2007, supporting local communities in agreements with government to identify mutual solutions that can bridge the needs of economic development and conservation.

With each GFTN programme office established, came further opportunities for community forest operations in the region. Agreements between the private sector and indigenous communities have allowed both to encourage responsible forest management and strengthen economic stability. Market links among indigenous forestry enterprises, certified manufacturers, and GFTN-affiliated buyers in Europe, North America and Asia have also been well established.

The highly significant \$3 million resulting from GFTN-facilitated trade in the Amazon has encouraged governments such as Acra State to develop responsible purchasing policies. This is in addition

to enacting laws banning the use of illegal wood in government building projects. The GFTN's emphasis on market links has helped solidify the economic incentives critical to establishing the viability of credible certification and responsible forest management in such poverty stricken regions.

The GFTN has evolved quickly in the Amazon region. Today, GFTN Participants manage approximately 425,000 ha of Peruvian Amazon forest, the second-largest tropical forest in South America. In Bolivia, participants manage more than half a million ha – either certified or in the certification process. Together, these operations employ over 5,000 people and help to ensure the economic viability of forest communities. GFTN-Brazil Participants manage 1.2 million ha of in-process or already certified forest. The growing presence of credible certification in the Amazon has garnered benefits for both the managing communities and the forests themselves.



# Accelerating Certification in the Russian Far East

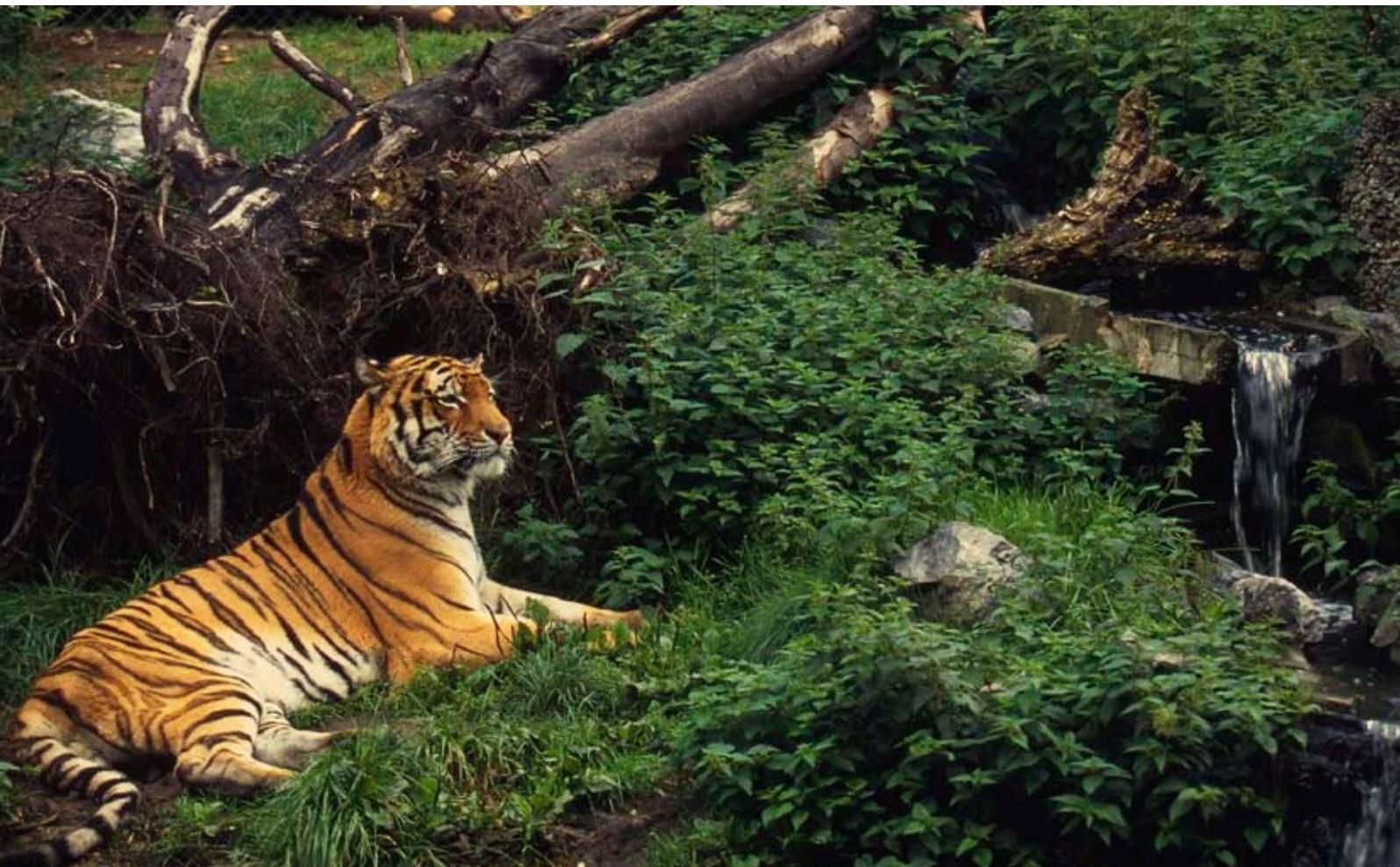


## Russia & China

A part of the Amur-Heilong region, the Russian Far East is under constant threat from illegal logging. One of the most biologically diverse boreal forests in the world, it provides crucial habitat for a plethora of globally important plants and animals, including the planet's last 500 Siberian tigers and 40 Amur leopards. These forests are also a vital economic resource to the government and people of Russia. GFTN-Russia has challenged illegal logging in an environment where

political corruption and economic uncertainty have tainted the forest industry and threatened forest resources through unmonitored activity.

Fortunately, over the last decade, the GFTN has helped legitimize large parts of the forest industry through a number of measured actions. First, GFTN-Russia supported the establishment of FSC certification standards, giving the GFTN a solid base from which to work. From there, GFTN-Russia began raising awareness of the market demand for credibly certified products, providing





a financial incentive to the industry to pursue credible certification. The interest of companies in exploring the market benefits of credibly certified trade, such as being able to ask a higher premium for products and growing consumer confidence, has dramatically increased credible certification in Russia.

By the end of 2007, GFTN-Russia Participants were managing almost 10 million ha of credibly certified forest. The extent of this commitment to responsible management, coupled with support from the industry for developing a national wood tracing system, illustrates a shift in industry practices in Russia. The GFTN's reliable technical advice and accurate information about responsible forest management, as well as its connections to

the global market, continue to encourage company commitment in the region.

Further changes are needed to ensure the future of biodiversity in the Russian Far East, and the GFTN perseveres in its battle with illegal logging. Although some local companies have improved management, illegally logged wood continues to cross the border into China. It is expected that a positive impact can be made on this trade through market pressure on Chinese companies to procure responsibly sourced products. Through its global and cross-national market approach, the GFTN continues to fight illegal and unsustainable logging operations and their associated trade to sustain one of the world's most valuable forests, the Amur-Heilong.



## Building Sustainability in Borneo



### Indonesia & Malaysia

Borneo is the third-largest island in the world, and includes parts of Indonesia, Malaysia and Brunei. It is also the last refuge of the highly endangered orangutan, Asian elephant, and clouded leopard, and home to approximately 4.5 million indigenous people. In spite of its exceptional biological and social attributes, the island is also highly threatened — two-thirds of all logging activities on Borneo are believed to be illegal. In addition, forest loss on the island has been driven by unsustainable conversion practices and opportunistic extraction.

With a deforestation rate of 1.3 million ha per year (an area about one-third the size of Switzerland) Borneo's forests and forest industry are under severe threat. Fortunately, these forests have been recognized as a crucial economic resource in need of management conducive to maintaining their long-term viability. Malaysia alone earned \$5.9 billion in 2005 from the export of primary timber products such as logs, sawn timber and plywood from the island. In the same year, Indonesia exported \$5.4 billion in forest products, according to the FAO *2005 Forest Products Yearbook*.



To promote responsible forest management on Borneo, the GFTN worked collaboratively in Indonesia and Malaysia. GFTN-Malaysia engaged their primary concession holder on the island, Sabah State, in a cooperative effort. By supporting Sabah's implementation of a stepwise action plan, the GFTN has helped the state achieve credible certification for its forests. GFTN-Indonesia also worked with key concession holders operating in the region, connecting these companies to buyers of responsibly produced forest products in North America and the European Union.

Working together, the regional GFTN branches successfully helped build sustainable business models throughout the forest sector on Borneo. Through GFTN, over 1.2 million ha of Borneo's forests are committed to responsible forest management, with over a half million of that FSC-certified. The introduction of more ecologically sound forest practices on Borneo has not only helped to solidify a foundation for the future of the forest sector, but has helped ensure the future viability of Borneo's forests.





# GFTN: Forests for the Future

Moving towards the future, the GFTN will continue to help businesses to use their purchasing power and influence to reduce their environmental footprint and improve the management of valuable and threatened forests. As awareness about corporate social responsibility grows in the business world, the GFTN will also play a leading role in helping companies use the GFTN stepwise approach to achieve credible forest certification.

To transform the global marketplace into a force for sustaining the economic and ecological viability of the world's valuable and threatened forests, the GFTN will aim to reach the following new objectives by the end of FY2011:

- **the share of the value of globally traded forest products traded by GFTN Participants doubles to 25 per cent**
- **the absolute volume of credibly certified forest products traded by GFTN Participants doubles to 200 million cubic meters, and the percentage certified shows continuous growth**
- **increase the area of forests managed by GFTN Participants to at least 50 million ha, particularly in WWF priority places**

These objectives will be reached through these new global strategies:

- **work with companies that can transform the practice of their entire supply chain with large impact in the market as well as in WWF priority places**
- **strengthen communications to ensure the growth of commitment to responsible forest management and trade, and to support those who are already committed**
- **expand the GFTN programme to the financial sector to promote responsible forest management and trade by providing due diligence mechanisms and linkages between responsible investors and responsible producers and traders**



# GFTN and WWF: Creating a Cohesive Vision

Over 400 million people, nearly 60 million of them indigenous, live in or near forests and depend on them for subsistence and income. Forests are home to at least 80 per cent of the world's remaining terrestrial biodiversity. The forest products industry is a source of economic growth and employment, generating \$186 billion in global trade in primary wood products. An analysis carried out by WWF and the World Bank in 2001 indicated that by sustainably managing 60 per cent of the world's forests, at different levels of intensity and for different purposes, we could protect the remaining

40 per cent. Unfortunately, illegal and irresponsible logging practices continue to plague the sector.

The GFTN will continue to adapt our methods to align our work with shifts in global trends. Over the next few years, with the support of other WWF programmes, the GFTN will closely monitor developments in emerging markets, public procurement, fastwood plantations and climate change. Understanding these enabling conditions within a contemporary context will ensure the GFTN is able to respond to issues on both local and global levels.



## A Final Thought

In the past, the global forest products market was seen as a potential threat to the world's forests. Today, the trade volume of FSC-certified forest products and the number of responsibly managed forests have increased substantially, underscoring the role of the GFTN as an important mechanism for promoting the future viability of the global forest products industry and engaging it as part of the solution. Linked in various ways to the drivers of forest loss, the forest products industry has a choice to make: to act reasonably by securing responsible management for forests, or to turn a blind eye and

watch this economically valuable and ecologically critical resource disappear.

The GFTN success stories from WWF's priority places — highlighted in this report — illustrate that market-driven solutions can and do work. Nonetheless, continued progress should not be taken for granted. This is the essence of the GFTN vision: to be responsive to the changing nature of the world's forests, to the people and industries that depend on them, and to the global environment they help to support.



The December 2007 UN Conference on Climate Change focused worldwide attention on the urgent need for “meaningful action to reduce emissions from deforestation and forest degradation.”

The GFTN is already working in many of the countries accountable for nearly 90 per cent of global deforestation and will continue to examine this issue and take action. The forest managers with whom the GFTN engages are committed to the long-term management of their forests and therefore directly contribute to meaningful action in conserving their forest resource.

# The Global Forest & Trade Network Wishes to Thank These Supporters

**Blue Moon Fund** has supported the launch of GFTN-North America and GFTN-China, as well as the creation of trade links in Brazil and outreach to more than 30 companies operating in the Amazon region.

Since 2005, support from **Citigroup Foundation** has enabled the building of responsible forestry in China, Indonesia, Malaysia, Vietnam, Brazil, Peru, Guatemala, Honduras and Costa Rica.

**DFID** contributions have enabled the GFTN to support Participants in China, Ghana and Latin America. DFID funding has helped to improve the lives of 31 forest-based indigenous communities in Nicaragua, Panama, Colombia, Peru and Bolivia.

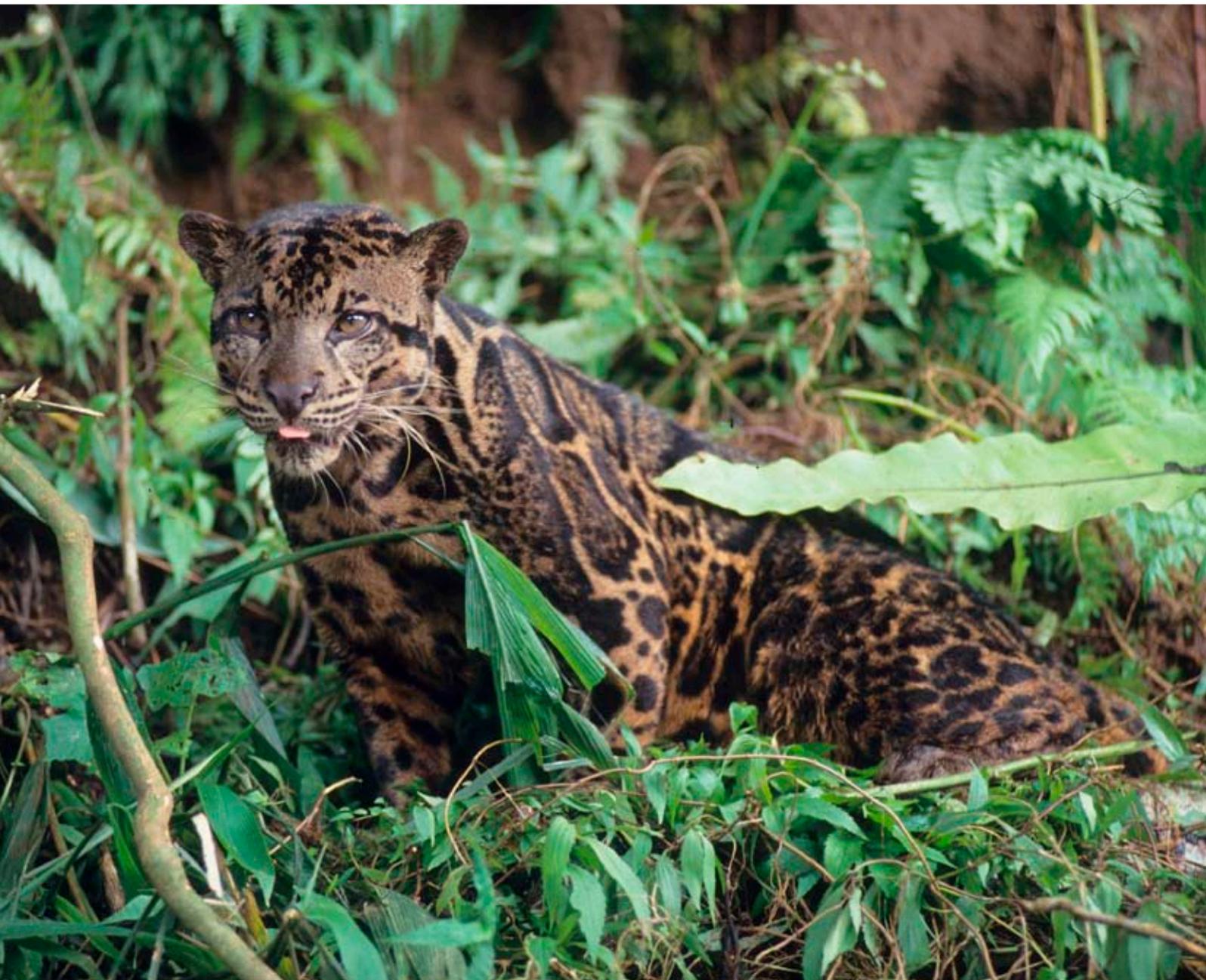
**Netherlands Directorate-General for International Cooperation (DGIS)** funding assists GFTN-Indonesia with the Forest Partnership Programme, helping Participants in Europe, North America and Japan to strengthen market linkages among Malaysia, Vietnam and China.

**European Commission** funding has supported the increase of GFTN participation to 32 companies in China, Malaysia, Vietnam, Indonesia, Gabon, Cameroon, Central African Republic, Republic of Congo, Democratic Republic of Congo and Ghana.

With support from the **International Finance Corporation**, the private sector arm of the World Bank, the GFTN is providing technical assistance and support to the business community to improve forest management practices in Indonesia.

**United States Agency for International Development** support of the Sustainable Forest Products Global Alliance has funded GFTN efforts in Africa, Europe, North America and South America. The Responsible Asia Forestry and Trade project has supported producers in China, Indonesia, Lao, Malaysia, Vietnam and some EU countries. The U.S. Global Development Alliance has enabled the GFTN to work in Indonesia, Europe and North America.

- **ADD**
- **Banco Real/ABN Amro, Brazil**
- **Development Commissioner (Handicrafts), Ministry of Textiles, Government of India**
- **Direction de l'environnement**
- **Export Promotion Council for Handicrafts (EPCH), India**
- **Gobierno de España, Spain**
- **Homebase Ltd (part of the Home Retail Group) UK**
- **ITC (Integrated Tree Cropping), Australia**
- **Ministerio de Asuntos Exteriores, Spain**
- **Ministerio de Medio Ambiente, Spain**
- **Ministerio Dell'Ambiente e della Tutela del Territorio e del Mare**
- **Planning Commission, Government of India**
- **Secretaría de Estado de Cooperación Internacional, Spain**



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