



WWF-UK
FOREST
& TRADE
NETWORK

Newsletter

Spring 2005

Our plans for 2005 – An overview

Website open for business

As you know, the FTN reports for 2004 are due to be submitted by 31 March 2005. The website is now open for entering your data – go to <http://ftn.wwf.org.uk> If you have forgotten either your login, password, or need assistance using the site, just contact Catherine Lawrence t: 01483 412578, e: clawrence@wwf.org.uk

It's essential that reports are submitted on time this year, because auditing is scheduled to begin in April (see below).

Verification visits

As a member of the WWF-UK FTN, you will be aware of our intention to verify a sample of reports (around 10 per cent) annually so that we can maintain the credibility of the FTN.

The first verification visits will start in April. Six FTN member organisations will be asked to allow an auditor to inspect their systems. When this has been completed, the auditor will then provide the WWF-UK FTN Manager with an opinion concerning the veracity of the information provided in their FTN reports.

The organisations will be chosen at random, although we will of course ensure that the sample is representative. We shall place each member company into a "sector group" and choose at random from within these groups. This means that at least one member from the following sectors will be selected: Paper, Construction, Retail, Timber & Plywood, and Other. One more company will also be selected at random, and those selected for verification will be notified by 4 April 2005.

Each company selected will be asked to allow the independent verifier to enter their premises. The verification process will take a maximum of two days, depending on the volume of data involved. We ask for your forbearance. The cost of this auditing is met by the WWF-UK FTN.

The independent auditor has yet to be appointed and a competitive tendering exercise is under way.

For those members selected for auditing, more information will be available nearer the time. In summary, the verifier will be asked to produce a report (an "opinion") on the veracity of the data presented in the member's 2004 report. The opinion will include:

- a description of the data management systems used by the member;
- the scope of the data included in the systems;
- the degree of transparency between data reported and data provided by the supply chain (usually suppliers);
- the overall quality of the data and systems, the overall reliability of the report submitted to WWF-UK FTN, and the degree of alignment with guidance previously issued to members; and
- a summary of the strengths and weaknesses of the system under consideration.

The report presented to the WWF-UK FTN Manager will not be made public.

In brief

New Annual Report

Starting this year, we intend to publish an annual summary of the WWF-UK FTN's performance, so that information relating to the Network is more transparent. The first report will contain only amalgamated data for the whole group, and individual members' reports will, of course, continue to be confidential. The exact format and content of the annual report will be discussed with members and the Advisory Board before being finalised. We expect to publish the report for 2004 in the autumn of this year. The auditor appointed to verify FTN members' reports will also be asked to offer an opinion on the annual report.

Next Annual Members Meeting

The 2005 AMM is being planned for 14 September, and will be in Birmingham. If you have any suggestions for its format or content, please e-mail Catherine Lawrence. e: clawrence@wwf.org.uk

Membership fee reminder

The membership fee for the year July 2004 to June 2005 is now due. Many thanks to all who have paid promptly. Please ensure any outstanding fees are paid as soon as possible.

Since the last newsletter Aberdeen City Council, Stanley Decorating Products and HA Interiors have left the FTN. There are currently 55 members – the list can be found on the FTN website: www.wwf.org.uk/ftn

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Industry statement

FLEGT: Industry statement

The European Commission and the European Council are working on a draft Regulation to control imports of illegally sourced timber. This Regulation will be the legal basis for voluntary licensing and partnership agreements between the EU and producer countries and will ensure that all timber coming into the EU will be licensed as legal. The Regulation is expected to be adopted in late 2005 and will give Customs authorities the right to hold timber arriving from partner countries without a licence.

WWF has some important concerns with regard to the proposed Regulation:

- it will not stop the import of illegal timber and wood products from non-EU countries that are not in partnership agreements;
- it makes no provision for improving forest management or governance;
- it is not based on minimum standards, nor does it include any social or environmental safeguards;
- it does not require independent third party monitoring; and
- it is based on a voluntary approach with incentives to encourage countries to participate, but is not backed up by any disincentives to discourage illegal activity.

WWF fears that the proposed Regulation, as it currently stands, will be detrimental to wood importing companies that are committed to legality and sustainable forest management. It is urging the European Commission to develop additional legislation to outlaw imports of illegal timber and wood products into the EU and to make it applicable to all countries. This would underpin the voluntary approach proposed through FLEGT, and would directly benefit those companies committed to legality and sustainable forest management. We have been working on this issue as part of an NGO coalition with FERN and Greenpeace, and have the support of some 180 environmental and social NGOs around the world.

Some GFTN members were approached by WWF late last year to sign a statement which was drawn up by the NGO coalition in consultation with members of the timber industry. We have delayed mailing this out until late March, so that other GFTN members can have more time to gain the necessary internal support. We have also increased our target to 150 company signatures. Many WWF-UK FTN members have already signed the statement. Please e-mail Catherine Lawrence (clawrence@wwf.org.uk) for your company's name to be added to the signatures.

WWF will send a copy of the statement and signatures to all EU Institutions and, through WWF and Greenpeace national offices, to member state governments.

WWF-UK FTN membership

Expanding network

WWF-UK joined the Network in November 2004. This will help WWF-UK monitor in more detail its compliance with its own purchasing policy across all departments and offices, and improve it where necessary.

Members' training course

The first WWF-UK FTN training days for members were held on 1 and 2 March. The training course has been developed by Proforest in conjunction with WWF. Both of the days were well attended and feedback has been very positive. We intend to make improvements to the course, based on input from those of you who attended, and then run the training regularly in future.

For further information contact Catherine Lawrence,
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The panda logo

Members of the WWF-UK FTN are reminded that they are not entitled to use the panda logo without a separate Licensing Agreement with WWF-UK. The WWF-UK FTN logo (without the panda) is available for members to use. Any publication material that uses the WWF-UK FTN logo must be verified in writing prior to publication with the WWF-UK FTN staff.

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t: 01483 412578



WWF-UK FTN member news

Homebase wins Chain of Custody race

HOMEBASE

Homebase has beaten all others to become the first UK DIY retailer to achieve FSC Chain of Custody. Its Chain of Custody number will appear on all its "own brand" products such as the timber range and MDF, chip and fibre boards, garden fencing, sheds and outdoor timber products, internal and external doors, bark chips and ornamental mulches.

Charles Drewe, Homebase Sustainable Business Manager, explained, "Because the supply chain can be complex and unclear, we have worked hard to achieve this Chain of Custody over the last 10 years and we're absolutely delighted that we're the first UK DIY retailer to do so. It means that we can be confident in offering our customers products which can be traced from the store right back to the forest."

Anna Jenkins, FSC UK Director, confirmed Homebase's "first". She said that as well as stocking a wide variety of FSC products for the public, Homebase had now become a new link in the FSC system and would be able to supply timber and timber products to customers wishing to make a full FSC claim on their construction projects.

MBNA suppliers gain FSC certification

MBNA reports that two of its suppliers – Waddington & Ledger, and Howit – have recently become FSC-certified.

Success for furniture manufacturers

WWF-UK FTN members, Blue Line and Paragon Business Furniture, have been selected as suppliers to the Office of Government Commerce (OGC). A measure of the OGC's commitment to buying timber from well-managed forests is the fact that the importance of traceability was emphasised in the introduction to its tender document. Sustainable procurement credentials, especially ISO 14001 and FSC certification, are taken into account.

As Europe's first FSC-certified furniture manufacturer, Blue Line has worked very closely with the WWF-UK FTN to encourage the use of responsibly sourced timber in the furniture industry. Blue Line has championed the manufacture of high-quality easily recycled products, in both veneer and solid timber, which are free of PVC and other synthetic finishes.

Last year was very successful for office furniture manufacturer Paragon, reports Eric Tomlinson, its Quality and Environment Manager. "During the year" he says, "the company has won a number of important contracts. In each case, there was stiff competition from a large number of suppliers. Paragon had to offer the right products and meet the customers' service requirements, as well as meeting detailed environmental criteria. Having an FSC Chain of Custody for our products was crucial to Paragon being selected for these new contracts."

WWF-UK FTN Sector updates

Local authorities

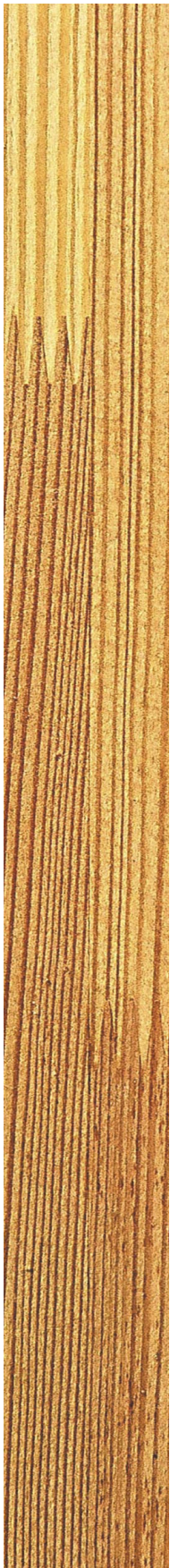
WWF has been progressing work in this sector through:

- working directly with key high-spend local authorities (principally in southern England and Scotland);
- developing relationships with local authority "multipliers" such as the Improvement & Development Agency;
- developing targeted practical guidance through a "toolkit" for English local authorities, the research for which has been initiated; and
- providing general information to all UK local authorities through the Local-Global Forest Footprints newsletter, and encouraging contacts to register and opt in to receive further communication. (The Winter 2004 edition is available at www.wwf.org.uk/filelibrary/pdf/lforestfootprints1204.pdf)

Central Point of Expertise on Timber (CPET)

The Central Point of Expertise on Timber (CPET) Phase 1 final report was published in November 2004 and shows that two of the schemes assessed – the Forest Stewardship Council (FSC) and the Canadian Standards Association (CSA) – give a guarantee that their certified products come from "legal and sustainable" sources, according to the UK government's criteria. The other three schemes assessed (PEFC, SFI and MTCC) are only able to guarantee legality.

The only certification system which currently fulfils WWF's own criteria for responsible forest management is the FSC, which takes into consideration social as well as environmental concerns. The FTN reporting categories have not changed in light of the CPET announcement. WWF has expressed its concerns to the government that social criteria were not included in the CPET assessment. The full CPET report can be seen at www.sustainable-development.gov.uk/sdig/improving/pdf/f-cpet.pdf



Saving primary forests and wildlife habitat in Ghana

In a groundbreaking achievement for forest conservation in west Africa, WWF and Friends of the Earth (FoE) have signed an agreement with Samartex Timber and Plywood Co Ltd that will help ensure the responsible management of primary forests and valuable wildlife habitat under Samartex management in western Ghana. Samartex – a vertically-integrated company with timber harvesting and sawmill operations – will implement programmes to verify environmental and social performance across its operations by seeking credible forest certification on all 159,000ha of reserves under its management.

“Increasingly, discriminating consumers are demanding forest products that have been produced according to the most rigorous environmental and social practices,” said Abraham Baffoe of FoE. “With support from WWF and FoE, Samartex intends to provide this market with legally and responsibly produced wood products and assume a leadership role among companies in Ghana and elsewhere in Africa.”

This agreement makes Samartex the inaugural member of the Ghana Forest & Trade Network, a part of WWF’s Global Forest & Trade Network (GFTN), and the first producer in Ghana to commit itself to pursuing credible certification. The Ghana FTN – which aims to provide technical support to build the capacity of producers to supply legal and sustainable wood and ultimately reach certification – is managed by FoE in partnership with WWF, and is supported by the UK Department for International Development (DFID) and the US Agency for International Development (USAID). Companies participating in the WWF GFTN commit to achieve increasingly rigorous levels of responsible forestry and production practices, culminating in the achievement of independently-verified, credible forest certification.

The addition of Samartex to the GFTN completes a supply chain of GFTN-participating companies that brings forest products from the forest floor to the retail shelf. Samartex provides species such as sapele, iroko, idigbo and utile to Timbmet Silverman, which in turn supplies products to Travis Perkins. Timbmet and Travis Perkins – both members of the UK FTN – encouraged Samartex to participate in the GFTN as a means of satisfying their commitments to procure forest products from increasingly responsible sources.

“Our responsible purchasing policies require that our suppliers provide us with forest products guaranteed to have originated in environmentally well-managed forests,” explained Mike Packer, Timbmet Silverman’s Group Environmental Manager. “Producers such as Samartex provide an off-the-shelf solution to our immediate sourcing needs. Timbmet will continue to implement its responsible purchasing policy, and in so doing stimulate the supply of timber from legal and FSC-certified sources.”

With support from the Ghana FTN, Samartex will implement a moratorium on logging in primary forests, develop plans for providing

(continued overleaf)

Paper

The first WWF GFTN Europe Paper Initiative (GFTN EPI) meeting took place in November 2004 and was well attended. Priority activities agreed at the meeting included:

- development of a template supplier questionnaire for use by GFTN paper sector members;
- providing more information about current pulp mills in the Russia Producer Group and producing a target list of mills to recruit;
- coordinating a visit to Finland;
- recruiting key new paper sector members into the European FTNs; and
- exploring possibilities of finding funding for specific projects among GFTN EPI members.

The next meeting is in London on 15 March 2005.

Further information on NGO activities in the paper sector, new FSC certifications, and industry news can be found in the January 2005 Paper Sector Update for WWF-UK FTN members. Please e-mail Catherine Lawrence if you would like a copy.

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WWF International and
WWF-UK forest reports
[www.wwf.org.uk/researcher/
issues/forests/
0000000197.asp#Int](http://www.wwf.org.uk/researcher/issues/forests/0000000197.asp#Int)

WWF-UK policy & WWF
International position
statements
[www.wwf.org.uk/researcher/
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WWF-UK work on forests:
[www.wwf.org.uk/researcher/
issues/forests/](http://www.wwf.org.uk/researcher/issues/forests/)

Joint ENGO statement on
Forest Law Enforcement,
Governance and Trade
(FLEGT)
[www.panda.org/downloads/e
urope/controllingtimberimp
rtsintotheeu.pdf](http://www.panda.org/downloads/europe/controllingtimberimportsintheeu.pdf)

Saving primary forests and wildlife habitat in Ghana (contd)

benefits to the communities that own Samartex-managed concessions, and achieve certification to FSC standards in 2007. This progress will contribute towards sustainable management of the forests in western Ghana and protect species such as forest elephants, chimpanzees, red colobus monkeys, and bongos (a species of antelope) that depend on Samartex-managed forests for their habitat.

“We believe that sustainable forest management is an integral element of effective forest conservation,” said Kurt Dirtz, managing director of Samartex. “By working with WWF and Friends of the Earth we intend to help conserve healthy forests, while providing benefits to local communities and valuable products to our customers.”

While Samartex is the first official participant in the Ghana FTN, other companies have applied to join – but those unable to prove that they hold legally allocated, long-term licences to harvest timber will be refused membership.

Producer groups appoint coordinators

In response to strong interest from buyers in Europe and the US, producer groups in Indonesia (Nusa Hijau) and Malaysia (Kumpulan Khazanah Hijau) have appointed new Market Links Coordinators. They will assist in buyer liaison, screening applicants and facilitating the establishment of whole supply chain trading links between buyers, traders, manufacturers, and source forests. In Indonesia, Bart van Assen (t:+62 813-11442202; e: bvassen@cbn.net.id), a Dutch national and experienced Smartwood FSC auditor with fluent Bahasa, has been recruited. His responsibilities will also include conducting baseline appraisals and preparing action plans. In Malaysia, Bill Maynard (t: +60 19 396 1645; e: WBMaynard@aol.com), who has been providing technical support to both Nusa Hijau and KKH for 12 months, will become Market Links Coordinator for KKH in Malaysia.

Nusa Hijau – the Indonesian Forest and Trade Network

As major markets for Javan teak furniture, the EU and US are demanding certified products in order to ensure that wood is sourced in an ecologically responsible way. As a result, many furniture industries in Java have now obtained the required certification. However, some are unable to source certified wood from Java – so several furniture industries are now importing teak from other countries such as Brazil to meet demands.

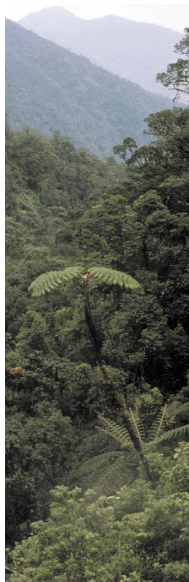
PT Bangun Sarana Wreksa, a furniture factory in Malang, East Java, has decided to try a new approach to fulfil market demand by becoming the first company to join Nusa Hijau. This was marked by the signing of an MoU between the company and WWF-Indonesia.

PT Bangun Sarana Wreksa is currently sourcing wood from PERHUTANI, which itself is collaborating with Nusa Hijau to improve its Forest Management System and meet certification standards within five years.

Factory worker handling FSC certified timber, Malaysia. © Edward PARKER



Javan rainforest, Indonesia © WWF-Cannon / Tom MOSS



Cooperation in Central America



The International Finance Corporation's Latin America and Caribbean Small and Medium Enterprise Facility (LAC SME Facility), and the Global Forest and Trade Network (GFTN) signed an MoU in September and will work together on projects to expand Producer Group membership and services in Bolivia, Honduras, Nicaragua and Peru. In Nicaragua, the first joint project will provide production and sales-related technical assistance and certification support to five Jagwood manufacturers and source forests, as well as establishing trade links with regional buyers from Central America, Mexico and the Caribbean. The project will build on existing WWF activities in Nicaragua, where there is already a 12-strong team based in Puerto Cabezas in the Northern Atlantic Autonomous Region (RAAN). The RAAN is the largest block of lowland tropical forest in Central America and a key source of high-value timber for local and export markets. It is also ruled by an indigenous government, and most forest resources are owned and managed by communities such as the Miskito and Sumo ethnic groups.

Indigenous communities in the RAAN mainly sell standing timber at below market prices as raw material to the export market. Most rural forest-based communities are located in extremely isolated conditions where the cost of any productive activity is quite high due to poor transport systems, the vagaries of weather, lack of communication, and lack of a skilled or educated workforce. Earnings are low, employment opportunities few, and minimal incentives exist to protect the forest as a long-term investment. Many small workshops source illegal lumber and have no incentive to do otherwise. Although some Nicaraguan wood furniture manufacturers are recognised for their quality, most SMEs are not addressing export market niches due to inadequate delivery times, unstable supply and inefficient cost structures. Added to which, few wood product SMEs have any experience in marketing, international markets, sophisticated management or procurement, modern design or quality control. WWF and IFC will work together to resolve these issues and ensure that a constant supply of certified timber from indigenous communities is processed into products of internationally accepted quality which are delivered on time to customers interested in responsible sources of wood.





‘Finland’s forest service must keep its word,’ says WWF

In December 2004, Greenpeace and the Finnish Nature League claimed that Metsähallitus, the Finnish government forest service, was logging in the habitats of the Siberian jay, a Red List species in southern Finland. (For more information see www.pefcwatch.org)

WWF-Finland has worked with Metsähallitus to develop new environmental guidelines which were launched in July 2004. These require that “forest operations in forests hosting regionally threatened species shall be planned in close collaboration between forestry and nature conservation experts”. WWF therefore challenged Metsähallitus about its own practices.

According to WWF-Finland, the Siberian jay case has reminded Metsähallitus that it must keep its word and implement its new environmental guidelines. One positive outcome has been the call by Finland’s Ministry of Environment for Metsähallitus to develop a conservation plan for the Siberian jay, which covers all state forests in the south of the country.

We remind Metsähallitus that its environmental guidelines include this important statement: “Metsähallitus has set a goal that its forest management will meet FSC-standards”. WWF-Finland believes that logging in Siberian jay territory may have been avoided if the FSC standard in Finland had been followed, because the indicator under criterion 6.2 requires that “known occurrences of nationally or regionally endangered species shall always be protected”.

For more information contact Harri Karjalainen, Head of WWF-Finland’s Forest Programme. T: +358 9 7740 1055; e: harri.karjalainen@wwf.fi

Call to contribute sustainable timber in tsunami reconstruction plans

A report by WWF and Greenomics Indonesia, the policy research institute, shows that as much as 266,666ha of timber – an area more than four times the size of Singapore – will be needed for the post-tsunami reconstruction effort in Aceh over the next five years.

The two organisations say that alternative foreign sources of timber should be explored in order to avoid clearing thousands of Indonesian forests and create further financial burdens on the Indonesian government.

WWF and Greenomics are proposing that some of the aid pledged for the reconstruction of Aceh should be made in the form of timber. They calculate that this would amount to a million cubic metres a year – an amount that could easily be met by the donors’ joint efforts.

“The option of sourcing timber as aid from other countries is much more rational than accelerating the clearance of natural forests,” explained Elfian Efendi, Executive Director of Greenomics. “It’s also important that the timber comes from sustainable sources. Otherwise in tackling one disaster we shall merely be creating another.”

WWF and Greenomics fear that sourcing timber, particularly unsustainable supplies, from Indonesia will lead to severe flood and landslide problems. Even before the tsunami, about 70 per cent of timber was estimated to come from unsustainable sources.

“The WWF global network is prepared to help the Indonesian government source timber internationally by approaching international organisations and donor agencies to mobilise timber and develop aid policies and mechanisms to push the process,” said Mubariq Ahmad, Executive Director of WWF-Indonesia. The proposal for foreign aid in the form of timber is backed by the Indonesian parliament. “This is a creative solution which will reduce pressure on the Indonesia’s natural forest,” declared Sarwono Kusumaatmadja, a prominent parliamentarian and former Environment Minister.

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