

The Story Behind the Alliance
Sustainable Forest Products Global Alliance
Worldwide

While more than 1.6 billion people around the world depend on forests for their livelihood, many forested ecosystems are being destroyed at unprecedented rates by destructive and illegal logging, conversion to other land uses, and lack of sound forest management.

The Sustainable Forest Products Global Alliance (Global Alliance) is a public-private partnership working to reverse these and other destructive forest trends by encouraging the responsible management of forest resources that helps reduce illegal logging and improve the well being of local communities. The U.S. Agency for International Development (USAID), World Wildlife Fund (WWF), and Metafore are achieving these goals by working with organizations like The Home Depot and USDA Forest Service to transform global forest products markets in support of these aims.

Metafore contributes to the body of knowledge on responsible forestry through research and programs on global trade flows of forest products and facilitates a multi-stakeholder working group to increase the supply and demand of environmentally-friendly paper. WWF plays a vital role by managing the Global Forest & Trade Network, an affiliation of national and regional buyer and producer groups active in nearly 30 nations, with membership of nearly 500 companies committed to practicing or supporting responsible forestry. In addition to program support, guidance and expertise, USAID provides the catalytic funding for the dynamic, far-reaching programs of Global Alliance partners through the power of public-private partnerships.

From multi-billion dollar corporations down to the small timber cooperatives that are the livelihood of many small communities in fragile states, WWF and Metafore collaborate with leaders in business, the environmental arena and society to conserve, protect and restore the world's forests.

THE ALLIANCE CONCEPT

Under the leadership of USAID's Forestry Team, several USAID bureaus came together to work collaboratively to develop a proposed global public-private alliance that would address critical forest management issues through the marketplace. Through consultations within USAID and with potential partners, the Forestry Team discovered and was able to tap into a strong current of support for enlisting private sector actors as stakeholders in the development agenda.

The alliance concept was taken to an international Forest Leadership Forum organized by WWF and Metafore in April 2002. The forum was a unique and groundbreaking venue for uniting environmental groups, retailers and the forest products industry based on common values surrounding responsible forest products trade. Responsible for bringing together more than 1,300 participants from 45 countries, the forum was widely recognized as a landmark event. It established a new collaborative framework for solving issues of common concern, such as illegal logging and high conservation-value forests, and the role of certification schemes in improving forest management. Stakeholders previously thought of as adversaries used this forum to openly

address the key challenges and opportunities facing business, social and environmental entities in the 21st century.

“It took the Leadership Forum to bring everyone together and share ideas,” said CJ Rushin-Bell, Forestry Team Leader for USAID.

USAID Administrator Andrew Natsios, WWF President Kathryn Fuller, and Metafore President and CEO David Ford formally announced the Sustainable Forest Products Global Alliance on May 6, 2003.

BUILDING THE ALLIANCE

After the Forest Leadership Forum and the discussions about alliance building, Rushin-Bell hired Robin Mason to work specifically on the alliance. Mason worked to develop a competitive process by selecting a committee to review the proposals that came through the GDA Secretariat. The committee received approximately 10 proposals and chose to work with WWF, Metafore, and Forest Trends. After negotiating with the GDA Secretariat and EGAT, it was determined that a total of \$3.5 million (\$1.5 million from the GDA and \$2 million from EGAT) would be allocated to the alliance in FY 2002.¹ Currently, USAID money is parallel funding, while partner money is pooled with matching funds.

In addition to WWF, Metafore and Forest Trends, the U.S.D.A. Forest Service was also chosen to work with the alliance. The Forest Service provided valuable in-kind contributions, including the mechanism by which to fund the implementing partners.

After months of negotiations and compromise between partners, a Memorandum of Understanding (MOU) was written to include the roles and responsibilities of USAID, WWF, Metafore, the US Forest Service, and Forest Trends. Private sector partners are still being considered for inclusion in the alliance.

PARTNERS

World Wildlife Fund (WWF), known worldwide by its panda logo, leads international efforts to protect the diversity of life on earth. Now in its fourth decade, WWF works in more than 100 countries around the globe. Efforts by the organization include achieving a target of 100 million hectares of independently certified forests by the year 2005.

The Global Forest & Trade Network is WWF’s initiative to eliminate illegal logging and improve the management of valuable and threatened forests. It is an affiliation of national and regional Forest & Trade Networks, each consisting primarily of companies committed to practicing or supporting responsible forestry.

Metafore, a non-profit organization, catalyzes business action that conserves, protects and restores the world’s forests. The organization seeks out business and other civil society leaders who recognize the connection between business prosperity and forest integrity. Together,

¹ EGAT contributed \$2 million in FY2003 and is expected to contribute approximately \$1.5 million in FY 2004. GDA’s contribution of \$1.5 million was seed funding.

Metafore and these leaders collaborate to create innovative market-based approaches that support thriving forests and communities.

The Home Depot is the world's largest home improvement retailer, with 2002 sales of \$58.2 billion. The company was founded in 1978 and currently employs approximately 296,000 associates in over 1,600 stores in all 50 US states, Puerto Rico, Canada, and Mexico.

Forest Trends is a non-profit organization founded in 1996 to diversify trade in the forest industry by maintaining and restoring forest ecosystems. The organization promotes market-based approaches to forest conservation and is based on three principal roles: convening market players to advance market transformations, generating and disseminating critical information to market players, and facilitating deals between different critical links in the value chains of new forestry. The Board of Directors currently includes representation from major forest areas of Russia, Brazil, Malaysia, and Canada.

USDA Forest Service International Programs was established in 1905 to manage public lands in U.S. national forests and grasslands. The program promotes sustainable forest management and biodiversity conservational internationally. Most of the organization's work in resource management, policy and research is done in collaboration with other organizations such as universities, environmental NGO's and the private sector.

OBSTACLES OF ALLIANCE BUILDING

Although the experience of the partners involved with this alliance allowed it to progress relatively smoothly, obstacles were encountered along the way. Just recently Forest Trends was eased out of the alliance due to funding cuts. Joint programming has also presented some challenges, as have the geographic locations of the organizations, decreasing USAID funding for the alliance, and cultural differences between the public and private sectors.

One institutional challenge has been distinguishing between the many organizations conducting similar projects in the same field. This, and identifying the level of cooperation most appropriate to move objectives forward, represent both obstacles and opportunities. It is important during this collaborative review process that an examination of each organization's mission and programmatic work be done to determine the potential level of engagement and if the work of each organization is relevant to Global Alliance objectives. For instance, Forest Trends is a relatively small organization based on research, and was involved with market and community analysis and awareness research at the time of alliance building. Although its mission is similar to that of the key partners, Forest Trends focuses on the individual and community, while WWF and Metafore focus on the larger corporations.

Another challenge is that alliance building is work-intensive, and requires a great deal of staff time and resources throughout the first year. Again to use the example of Forest Trends, this NGO received less funds than the other NGO founders of the alliance. Over the course of the first 18 months of the alliance, it became clear that the programmatic work of Forest Trends was not compatible with alliance expected achievements and that the amount of funding they received could not support the level of engagement expected from USAID. Rather than demand that Forest Trends devote more energy and resources into the RFA process for FY 2004 and

given reduced USAID funding for the alliance, USAID decided to end its support to Forest Trends in order to conserve resources for WWF and Metafore.

Another obstacle dealt with funding and joint programming. Until recently, WWF, Metafore and Forest Trends each had its own set of working plans. After the first year, WWF and Metafore committed to submitting joint work plans and continue to submit joint quarterly reports. At a retreat held to evaluate the first year of the alliance, it was decided that the format for reporting be changed to better illustrate the achievements of the alliance. This effort has significantly decreased the time and effort needed for research and writing on the NGOs' part, but also for analyzing and aggregating results on USAID's part. The alliance has gradually been combining the efforts of research, reporting, programming and funding to reduce overlap and increase efficiency.

Corporations have a positive view of USAID involvement in development work, so the private sector's interest in the alliance has increased. However, as USAID funding has decreased, corporations are becoming skeptical of the alliance. This presents the problem of convincing the potential partners that lessening of USAID involvement in such programs is a positive factor in alliance building, rather than a negative factor.

Finally, the differences between private and public sector work cultures have presented some obstacles for the alliance. WWF and Metafore have found it challenging to reconcile public sector bureaucracy and processes and the immediate needs of its private sector partner corporations. The public sector must know the differences in work styles and cultures in order to deal with the private sector suitably. For example, in the private sector it is expected that demands will be met immediately. Fortunately, WWF and Metafore have had prior experience dealing with the private sector and have been able to handle the challenge of its method of approaching projects. It is suggested that the public sector fully understand its potential partners and the private sector in general before getting involved with, and engaging in, alliance building.

SOLUTIONS

Specific solutions are mentioned above to the various obstacles faced by the SFPGA partners, but general comments have been made about how to create a successful alliance. Bulleted below are some highlights gathered from interviews with USAID, WWF and Metafore:

- Alliance building takes a tremendous amount of time – it took over a year before the SFPGA alliance reached the point where systems were developed. Appoint a manager to deal solely with alliance partners and alliance maintenance. Metafore has hired a staff member to deal primarily with building and maintaining the alliance, while WWF and USAID have counterparts, all dealing specifically with the alliance. These staff members are devoted to the program, engaged in the alliance and available to work with partners.
- Minimize the lines of communication. When initially dealing with new partners, make sure that there is a single point of contact for the partner organization. Do not overwhelm new partners by having them communicate with multiple people. This will only create confusion and lead to work overlap.

- Develop a communications strategy. A significant amount of time is spent reporting on the state of an alliance, so it is helpful to devote an inner, core group to work on written communications.
- Define what each partner wants out of the relationship. It is important to enter into an alliance with full disclosure. This will minimize unrealistic expectations by partners and foster an environment for introducing specific scientific, pragmatic, business-based ideas.

CURRENT STATE OF THE ALLIANCE

The relative roles of the alliance partners are evolving in interesting ways to maximize the effectiveness of the alliance. WWF and Metafore are assuming leadership positions in the alliance, more partners and funders are joining the alliance, and USAID's role is becoming more that of an advisor and facilitator, and less that of a catalytic funder. The Forest Service is becoming more actively involved by providing guidance and integrating activities with the program.

Corporations are showing interest in becoming part of the alliance. Metafore is working with 10 major name brand corporations, and WWF is leading negotiations with major companies in the office products and home improvement categories.

Since September 2003, six new WWF producer groups have become operational in Brazil, Malaysia, Ghana, Central Africa, and Indonesia. Existing producer groups have been expanded in Russia and Central America, and preparations have begun for new producer groups in Bolivia, Peru, and Vietnam. Based on these activities, as many as three million hectares are in the pipeline to reach 'improved forest management' status.

The American Forest & Paper Association (AF&PA) has raised concerns about trade distortions that might result as an unintended consequence of the Global Alliance market linkage activities. After numerous exchanges, an understanding has been reached with several of AF&PA's leading companies – International Paper, Weyerhaeuser, and MeadWestvaco – with the signing of a joint letter of understanding in support of the principles of third-party forest certification.

FINAL THOUGHTS FROM THE PARTNERS

- Alliance building is an innovative way of doing business. It requires a tremendous amount of time and effort, but it's worth it.
- Alliance building requires more work than having a contract or cooperative agreement. Similar mechanisms are involved, but it requires a different relationship.
- Alliance building should be treated as a learning experience.
- Alliances have the potential to leverage significant funding from the private sector, giving significantly more power to the projects. For reasons such as this, it is important to consider the private sector when working on development projects.