

**Report for AF&PA**

**Trade and Environment  
Program in Europe**

**April 2000 Report**

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“INFORMING THE SUSTAINABLE WOOD INDUSTRY”

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# Technical Consultant to the AF&PA Trade and Environment Programme in Europe

## Technical Report for April 2000

### Highlights and Commentary

- The announcement by the Board of the Pan European Forest Certification (PEFC) scheme that it has recommended approval of 3 Nordic forest certification schemes – which have already certified over 16 million hectares of forest – has encouraged a flurry of activity by supporters of the rival FSC scheme.
- For the first time, the FSC will have to face competition from a scheme capable of marketing significant volumes of certified wood products. In response, environmental groups have sought to undermine the reputation of the PEFC.
- ENGOs have gained public support for their stance from large German retailers, who have decided now is the time to increase the pressure on their suppliers to comply with the FSC standard. This has provoked a vigorous reaction from German forest owners who are almost exclusively committed to the PEFC.
- However much of the sting has been taken out of the ENGO's campaigns by two other significant developments in the European certification debate.
- The first is the announcement by B&Q, the UK's largest DIY retailer and a leading FSC advocate, that it will now accept wood certified by Norway's Living Forests Scheme, as well by the FSC and the Finnish Forest Certification Council. B&Q now recognises two national schemes operating within the PEFC framework.
- The second development is the publication by the Confederation of European Paper Industries (CEPI) of a "comparative matrix" of certification schemes which indicates there is little to separate the FSC and PEFC in terms of the reliability of certification procedures. In an article (attached) on the tussle between the two schemes, the Environmental News Service notes that "*CEPI scored PEFC higher than the FSC on accreditation procedures at national level, transparency rules regarding public information and compliance with International Standard Organisation requirements. On other criteria, such as independence and impartiality, consensus building and product labelling the schemes scored around the same.*"
- Meanwhile, mutual recognition of forest certification schemes remains a central policy issue. Publication of the International Forest Industry Roundtable proposals for an "International Mutual Recognition Framework System" is imminent. PEFC have also expressed their desire to take forward the process of mutual recognition. In late June, PEFC are holding a professional seminar on the subject to which representatives from all the major certification schemes have been invited.

## 1 Meetings

No significant meetings were held during the month.

## 2 Development of certification in Europe

### 2.1 Pan European Forest Certification Council

#### 2.1.1 PEFC approve Nordic schemes

The board of the Pan European Forest Certification Scheme (PEFC) has recommended the approval of Finland's, Sweden's and Norway's forest certification systems. Representatives from the PEFC member countries, with the exception of each applicant country, will make the final decision on approval of the systems by postal ballot. The result of the ballot is due at the end of May. Following approval of a national

certification system by PEFC, organisations possessing a forest certificate and enterprises with a chain of custody verification system will have the right to apply for the PEFC label.

A total area of 16.2 million hectares of certified forests have so far been certified under the three Nordic schemes seeking PEFC approval. The area includes 13.7 million hectares under the Finnish Forest Certification scheme, 1 million hectares under the Swedish Skogsgarna scheme, and 1.5 million hectares under Norway's Living Forests scheme. The total area of certified Nordic forest is expected to double by the end of 2000.

PEFC has also begun the process of evaluating the forest certification scheme of PEFC Germany, which was presented to the PEFC Board in March 2000. Pilot certifications in Germany already extend to 670,000 hectares. Current projections suggest that 4.5 million hectares of German forest will be certified by the end of the year.

Austria, Switzerland and France are expected to lodge applications for PEFC endorsement in the near future.

### **2.1.2 PEFC Progress on Mutual Recognition**

PEFC are looking closely at the issue of mutual recognition for forest certification schemes operating outside Europe. A Working Group on Mutual Recognition met on several occasions between January and February 2000 to draw up a preliminary policy and strategy. A strategy was subsequently approved by the PEFC Board of Directors which includes reference to an open dialogue and network building with other important certification systems. The Working Group stressed the value of world-wide mutual recognition to accommodate the globalisation of wood markets.

As a follow-up, the PEFC Board announced that PEFC will host a professional seminar for invited forest certification schemes and expert groups to examine opportunities for mutual recognition of other forest certification schemes. The seminar will be held in Brussels on the 26 and 27<sup>th</sup> June 2000. It is to be funded jointly by PEFC and the Directorate General for the Environment of the European Commission (DGXI). The meeting will involve representatives from various sustainable forest management initiatives including ITTO, Montreal, Pan European and FSC based systems. To facilitate debate, only around 50 people have been invited. The output of the seminar and copies of presentations will be made available on the PEFC website. PEFC hope that the seminar will pave the way for a larger event later in the year to take the process of mutual recognition forward.

### **2.1.3 PEFC Latvia**

Latvia has now established an organisation responsible for developing national level certification within the PEFC framework. The PEFC Latvia Council has 18 seats comprising: 7 for representatives of forest owners organisations; 6 for forest operators and wood-processing groups; 1 for wood trading companies; 1 for forestry Trade Unions; 2 for farmers organisations; and 1 for state forest enterprise representatives. The Council also has 6 seats reserved for observers including 2 seats for conservation organisations; 1 seat for the Latvian timber exporters' association; 1 for the State Forest Service; 1 for a forest operator or wood processing company; and 1 for a forest managers organisation.

A forum was held on 8 February 2000 to which all interests were invited. The meeting focused on the provision of background information on PEFC. On the same day, the PEFC Latvia Council met to elect a Board of Directors, and to discuss financing and a time schedule for the development of the scheme.

Since then a series of Working Group meetings and seminars have been held to begin work on a certification standard for Latvian forests; chain of custody requirements; rules for the use of logos; and institutional frameworks. Latvia is working closely with forest certification experts from the Swedish organisation Sodra during the development of the scheme. Subject to adequate financing, PEFC Latvia plans to finalise the scheme before the next PEFC General Assembly meeting in the autumn.

### **2.1.4 UK discusses PEFC National Scheme**

The UK Timber Growers Association continues to push for the establishment of a UK PEFC scheme based on the forestry standards finalised last year by the United Kingdom Woodland Assurance Scheme (UKWAS). UKWAS was formed in 1999 with the specific aim of developing certification standards for the UK. The UKWAS Steering Group includes representatives from all interests, including the forest sector, major consumers, trade, and all the main environmental groups. The UKWAS Standard has already been

endorsed by the FSC. Use of the UKWAS Standard by a PEFC body would avoid duplication and allow UK forest owners to obtain both FSC and PEFC certification through a single audit. To date however, environmentalists represented on the UKWAS Steering Group have blocked use of the UKWAS standard by a PEFC body.

TGA convened a meeting in April involving representatives from the UK forest sector, trade, and retailers to discuss the issue. At the meeting, it was agreed TGA should go ahead with the formation of a UK PEFC Council, and that they should continue to encourage the UKWAS Steering Group to formally endorse PEFC's use of the UKWAS standard. However failing this, it seems likely that the UK PEFC group will simply make a few minor changes to the UKWAS standard and use it without their blessing.

Alan Knight, the Environmental Co-ordinator of B&Q, is evidently increasingly frustrated by the political manoeuvring which is undermining practical implementation of forest certification in the UK. He offered at the meeting to lead the formation of a discussion forum, to which all interests would be invited. Those involved would be asked to leave all political baggage at the door and to draw up a fresh vision for forest certification in the UK without reference to the marketing or political goals of any particular certification scheme.

### **2.1.5 Environmentalist criticism of PEFC**

Non-governmental environmental groups have continued to criticise the PEFC. At a recent meeting in Antwerp, 24 environmental groups said that the initiative "had failed to show it would ensure meaningful improvement in forest management". The World Wide Fund for Nature's European policy office is openly criticising the PEFC as a scheme that is "just labelling the status quo". The WWF claims that "the planned speed of PEFC's certification plans throws doubts on what it is doing." As expected WWF is maintaining its single-minded policy of support for the FSC, suggesting FSC is "already a compromise between economic, social and environmental factors below which NGOs cannot go". No environmental group has so far taken up the two seats (out of a total of 18) open to them under PEFC rules.

## **2.2 Russia**

The first forests to be certified in Russia have been approved by the Forest Stewardship Council. 32,800 hectares of the Kosikhinsky Forest in the Altai-Sayan region of Siberia were certified by the FSC in April 2000. Certification was undertaken on the instigation of Pricebatch (Altai UK) Ltd. Pricebatch's largest customer is The Body Shop, a chain retailing bath and personal care products which is a member of the UK's 1995 Plus Group.

Pricebatch has been working in the Altai region for 10 years to establish management procedures for sustainable forest management and "fair trade" products. The WWF has also focused on conservation projects in the Altai-Sayan region due to its high biodiversity status. Forest ecologists claim that the Altai Republic has the highest percentage of "old-growth" forest anywhere in Siberia. The Altai-Sayan is one of the Global 200 eco-regions identified by WWF as most representative of the world's biodiversity. WWF has been committed to protecting the area since 1998.

The certified Kosikhinsky Forest forms part of a broader WWF initiative to form an Association of Environmentally Responsible Timber Producers in Russia. The Association brings together several Russian timber producers with average annual production of 600,000 m<sup>3</sup> of timber. It aims to connect these producers with Western companies committed to purchasing FSC certified products. The Association is a member of WWF's Global Forest and Trade Network linking WWF Buyers Groups with FSC producers in all areas of the world.

## **3 Development of certification outside Europe**

### **3.1 British Columbia**

Following the lead of various timber companies operating in BC, David Zirnheld, BC's Forests Minister, announced in early 2000 that the province will seek independent recognition that public forest lands are managed in an environmentally friendly way. The province has selected several locations to begin testing whether forest practices in those areas satisfy the standards required for certification by the International Standards Organization, the Canadian Standards Association and the Forest Stewardship Council.

Meanwhile Weyerhaeuser's operations in BC have forged a unique link between the Canadian Standards Association (CSA) forest certification standard, the FSC chain of custody procedures, and the Keurhout

forest products trademarking scheme in Holland. In April, Weyerhaeuser's Chemainus sawmill cut BC's first major order of certified lumber consisting of 18,000 board feet of quality wood grown in BC's coastal forests. The logs came from Weyerhaeuser's northern Vancouver Island division, the first major tenure in BC to receive certification by the Canadian Standards Association. The sawmill on which the logs were being cut into lumber also has a Forest Stewardship Council chain of custody certification after auditors were satisfied the mill - and every step in between from the log sorting yard to the lumber export dock - had tracking systems in place to separate certified wood from non-certified wood. Although the CSA scheme does not allow for product labelling, the combination of the CSA forest certification standard, and the mill's FSC endorsed chain of custody procedures, were acceptable for product labelling under the Dutch Keurhout scheme.

The certified wood, which will be used for the manufacture of quality window frames in Holland is reported to have fetched a 10% premium. However, Alf Schultz, fibre coordinator at the Chemainus mill, said it costs more to produce certified lumber because the mill must first be shut down and the bins emptied to make sure the certified wood is not mixed up with regular lumber. At \$130 a minute, shutdowns can add a significant cost to a certified order, he said. This first order took 30 minutes of shutdown time to set up. With practice, Schultz said he expects the sawmill will be able to reduce shutdown time or develop other systems for introducing certified logs.

### 3.2 FSC

The full minutes of FSC's last Board meeting held in February 2000 were made publicly available during April (on the internet at [www.fscoax.org](http://www.fscoax.org)). The following are some of the highlights:

- The Executive Director of FSC noted that since the previous Board meeting "one set of forestry standards for Canada achieved full FSC endorsement, two sets of standards for USA were now extremely close to full endorsement, and the standards for Germany were now being presented for conditional approval"
- A new Five Year Business Plan was tabled for approval. The plan includes proposals for a degree of decentralisation of staff and consultants to work more directly with national initiatives. The plan identified financial challenges. FSC's work load is expanding fast, without corresponding income, due to the growing numbers of national initiatives and trade organizations seeking support and advice. The Business Plan requires US\$5 - 7 millions p.a. for FSC to achieve its goals, while the funding assured for 2000 remains static at a little over US\$ 1 million.
- The FSC certified forest area has reached 18 million hectares
- The Board approved a policy on proportionally based product claims. The Policy became operational in March 2000. It includes the following key elements:
  - In chip and fibre products, the minimum amount of FSC-endorsed certified virgin wood is reduced from 70% to 30% of the total of virgin wood chip or fibre materials. The aim is to make FSC market claims more accessible to industries which are supplied by large numbers of small properties. The minimum will be increased to 50% in 2005.
  - Companies making percentage based claims for these products must develop an action plan for continuous increase in the percentage of certified raw materials, and for achieving the five-year target. This action plan will be monitored by certification bodies.
  - In chip and fibre products containing recycled or other neutral materials, the minimum amount of FSC endorsed certified wood will remain unchanged at 17.5% of the whole product. This percentage is a legacy from the first policy of 1997. It will be reviewed when FSC has decided its position on certification of recycled products. It allows recycled or other neutral materials up to 82.5 percent of the total.
  - Solid wood and assembled products: Percentage-based claims will be allowed for collections of solid wood items, and for assembled components made from solid wood, with a threshold of 70% FSC-endorsed certified wood. This claim will not appear on individual solid wood items.
  - Uncertified wood: Companies making percentage based claims will have to operate systems for avoiding unacceptable sources of uncertified wood. They will be monitored annually by the certification body.

### 3.3 Peru

In 1998, WWF launched a project to develop FSC voluntary forest certification in Peru. According to a recent WWF report, a national working group on forest certification has now been established involving

representatives from three regional bodies in Loreto, Ucayali and Madre de Dios, together with a fourth based in Lima, each covering the ecological, economic and social sectors.

The report suggests that there is some limited interest in FSC certification amongst the Peruvian forest industry. At least two Peruvian companies are committed to the FSC process. FSC supporters hope that next year 100,000 hectares of Peru's Amazonian forest will be certified and that an additional 500,000 hectares will begin the move towards certification. However the president of the Forestry Chamber believes the government should take responsibility for certification on the grounds that the FSC "puts the social and ecological aspects [of forest management] before the economic ones".

### 3.4 Ghana

Ghana, a West African nation which supplies tropical sawnwood to several European markets, notably the UK and Germany, is progressing with the development of a national forest certification program. The Ghana Forest Management Certification Systems Project has been funded jointly by the EU and Dutch Government. The Project led to the drafting in March 1999 of a forest certification standard - "The Quality Management of the Forests of Ghana: Forest Standards, Principles and Specifications".

During March of this year, the standards were tested in the field in four forest reserves. Two of the teams carrying out the tests were led by international experts in forest certification, and two teams by local experts. All four teams had technical support from the UK's National Resources Institute. The tests involved an evaluation of 8 Principles, 37 criteria and 127 indicators of good forest management in Ghana. Preliminary findings identified a number of changes required to ensure the checklist and standards are easier to use and understand. To follow up the tests, a national stakeholder workshop took place between 27 -28th April 2000.

On finalisation of the checklist and standards, the next phase of the project will be to develop an institutional framework and procedures for certification in Ghana.

### 3.5 International Tropical Timber Organisation

A series of articles on forest certification have been published in the latest issue of the "Tropical Forest Update" (TFU), an ITTO publication available at [www.itto.or.jp](http://www.itto.or.jp). The articles include:

- Australian forestry academic, Kanowski, examines the role of forest certification in the development of international forest policy. His article includes a review of outstanding issues (for example mutual recognition and the harmonisation of forest certification schemes) and examines the range of policy responses.
- A coalition of German importers and exporters suggest that certification is acting as a non-tariff barrier to trade. They call for action through the World Trade Organization.
- A description of certification initiatives in Malaysia and Indonesia.
- A case study from Guatemala examining the role of forest certification in improving forest management on the ground.

The TFU editorial notes that the most important question relating to forest certification is whether it is bringing about better forest management. It notes that, while there is still little supporting information, "*FSC data hint at recent improvements in tropical forest management. For example, around 840,000 hectares of natural forests are certified in Latin American ITTO member countries Bolivia, Brazil and Honduras. In 1989, the ITTO publication "No Timber Without Trees" found only 75,000 hectares of sustainably managed forest in the entire region. It appears, then, that forest management has improved significantly in the last decade or so, albeit from a very small base. It also seems certain that with some tropical countries now establishing certification structures and improving forest management practices, the area of certified tropical forests will increase rapidly in the next few years.*"

The Editorial also notes that ITTO consultants, Markku Simula and Edward Osei Nsekyire, will be providing an update report on forest certification to the International Tropical Timber Council at its XXVIII session in May.

## 4. Market Developments

### 4.1 CEPI certification database

The Confederation of European Paper Industries (CEPI) have released a comparative matrix of certification schemes. The matrix compares the credibility of various national and international certification schemes

using a number of indicators to assess the independence, transparency, and reliability of each scheme. A copy of the matrix, together with detailed explanatory notes, is available at <http://www.cepi.org>. The matrix is derived from a questionnaire survey of the major national and international schemes undertaken between Summer 1999 and February 2000. It includes coverage of FSC, PEFC, and independent national schemes such as the AF&PA Sustainable Forestry Initiative.

CEPI have prepared the matrix both to inform the international debate on mutual recognition of national certification schemes, and as a tool for other interested stakeholders, notably the buyers of paper and wood products in Europe.

#### **4.2 B&Q looks set to endorse Norway's Living Forests Scheme**

Unconfirmed reports have emerged that B&Q, the UK's largest DIY retailer, have now accepted that Norway's Living Forests national certification program meets their requirements for forest certification. The decision follows on from B&Q's acceptance last year of wood sourced through the Finnish Forest Certification Council alongside FSC-certified products. The decision is particularly significant coming from the UK's (and one of Europe's) leading commercial sector advocates of FSC certification.

Rumours have also emerged that Alan Knight, the environmental co-ordinator of B&Q, may be willing to serve on the PEFC Council.

#### **4.3 German industry**

According to the leading German wood industry and trade associations, the environmental labelling and certification of wood products is acting increasingly as a barrier to free trade. These misgivings have been set out in a position paper issued jointly by the Federation of German Wholesale and Foreign Trade (BGA), the Federation of German Export Trade (BDEx), and the German Timber Trade Federation (BDHolzVDH).

The paper notes that German municipal authorities, and occasionally state authorities, are requiring that wood products be FSC certified. In North Rhine-Westphalia, for example, the use of wood from boreal and tropical forests without an FSC certificate is prohibited. These policies are being introduced despite the fact that many forest certification issues remain unresolved, notably the chain of custody. The paper also expresses concern over the numbers of certification initiatives being developed which will "totally confuse the consumer".

The paper states that the issue of non-tariff trade barriers, including forest certification, should be given top priority by the WTO. Policy-makers should consistently raise all important cases in which trade partners do not fulfil their WTO obligations. WTO consultation and dispute settlement procedures should be used for this purpose. In addition, the question of non-tariff trade barriers must be a central point of discussion in any new WTO round of negotiations. According to the paper, the long-term goal of policy-makers should be the general opening up of markets through mutual recognition or adaptation of standards and certificates. The conclusion of bilateral agreements regarding the mutual recognition of certification standards, and the launching of bilateral consultations among governments, should be considered as supporting measures (the 'second best' solution).

#### **4.4 German retailers**

A fierce dispute over forest certification has arisen between German forest owners, both private and public sector, and German DIY retailing stores. The dispute arose from demands made by Germany's leading retailer chains in early 2000 that all their suppliers should start working towards FSC certification. Following these demands, the forest Ministers of Baden-Wurtemberg, Bavaria, and Thuringia, sent a letter to the leading retailer – OBI – asking the company to reconsider their exclusive request for FSC products and to consider stocking PEFC certified wood alongside FSC branded products.

At the same time, forest owners associations in Baden-Wurtemberg and Bavaria have been collecting signatures from associations opposed to the retailers' FSC commitment. By the end of March, around 200 forest associations, representing 100,000 forest owners, had signed a petition noting that the retailers' commitment to FSC effectively excluded domestic wood from German DIY chains and claiming it infringed the legitimate rights of German forest owners. The forest owners suggest their next move will depend on negotiations with the retailers.

According to German trade press reports, the Executive Director of OBI made a vigorous response to the forest owners' petition. He stressed that OBI made an exclusive commitment to FSC only after his company failed to encourage supporters of FSC and PEFC to reach a compromise. He also stated that, in practice, it is not possible for OBI to encourage consumers to accept 2 different environmental labels conveying a very

similar message. He noted that as OBI is a globally engaged company, their preference for an international scheme like the FSC is “inevitable”, particularly as this scheme is also backed by environmental groups. He believed that a regional scheme like PEFC “did not have a chance on world markets”.

#### **4.5 ITTO survey suggests limited interest in forest certification**

At the end of 1999, email subscribers to the ITTO Tropical Timber Market Information Service were canvassed on likely trends in the tropical timber market over the next 5–10 years. Those responding to the survey generally believed that ‘supplies of certified wood’ were not likely to bring competitive advantage for tropical wood in the future. However, while certification is unlikely to yield any price or direct market advantage, the absence of certification will increasingly become a serious disadvantage for tropical timber in some markets.

#### **4.6 UK Chain of Custody Standard**

The consultation draft of an industry “Code of Practice” for chain of custody has been issued by the UK Forest Products Association (UKFPA) and the Wood Panel Industries Federation (WPIF). The Code has been drawn up by the UK forest industry to back up the FSC label and is also intended to be consistent with the PEFC criteria.

WPIF and UKFPA view the Code as a necessary supplement to established forest certification schemes. It will, they claim, reassure retail and other market sectors that the industry is in control of its own verification procedures and can provide the basis for truthful labels.

The draft is now being studied by the European Confederation of Woodworking industries with a view to wider adoption. It defines the relevant chains of custody for virgin forest wood from certified or uncertified sources, sawn wood, sawmilling co-products, pre-consumer and post-consumer recycled wood, and assembled products. It also specifies preferred verification methodology.

#### **4.7 Tropical Forest Trust**

The Tropical Forest Trust (TFT) has just completed its first full year of operation. The Trust’s membership includes 16 European companies, primarily involved in sale and manufacture of garden furniture from the Far East. It was established following pressure from environmental groups over their sources of supply. All Trust members are required to set aside a proportion of the production price of their tropical wood products to fund projects to develop FSC certification in tropical supplier countries. Projects that should lead to FSC certification are currently underway in Vietnam and Malaysia. The Trust has also organised certification workshops in Cambodia. However, the Trust acknowledges that “there is still a long way to go. The current levels of FSC certified timber available on the market means that, whilst working towards the day when TFT members will only buy and sell FSC certified products, the short term reality means that non certified products will still have to form part of their stock”.

#### **4.8 Brazil**

A Brazilian Buyers’ Group pledged to support the trade in FSC certified timber was launched in April. The group includes about 40 companies from the furniture, packaging, printing, flooring and other industries. Judging from press reports surrounding the launch – which have emphasised the problems of deforestation in Brazil - the group’s major focus is to influence Brazil’s domestic trade in tropical wood. 90% of the timber extracted from the Brazilian Amazon goes to domestic markets.

### **5. Environmentalist campaigns**

Environmentalist campaigns continue to focus on tropical timber imports. In Spain, Greenpeace have followed-up their campaign targeting Brazilian imports, with a 55 page publication providing an extensive critique of logging practices throughout tropical Africa. Spain’s hardwood sector is heavily reliant on tropical imports from Africa.

In the UK, the World Society for the Protection of Animals (WSPA) released a report on the “Bushmeat Crises” in Africa to coincide with the international CITES Convention in Kenya during April. The report is highly critical of Asian and European logging companies’ operations in West Africa. WSPA claims these are a major contributory factor to the bushmeat crises. The logging companies are accused of providing access to forest areas for bushmeat hunting and trading; of contributing to the problem by providing shotguns to employees; and of failing to prevent hunting activity by logging gangs. WSPA is calling on timber companies operating in Africa to adopt a code of conduct aimed at minimising hunting in logging concessions.



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Article reprinted from the Environmental News Network

## Forest Certification Battle Axes Clash

**ANTWERP, Belgium**, April 19, 2000 (ENS) - European environmental groups have lashed out at the fledgling Pan-European Forest Certification (PEFC) agency backed by the timber industry, accusing it of "bias," a "closed door approach," and preventing wider stakeholder participation.

Forest certification is the process of inspecting particular forests or woodlands to see if they are being managed according to an agreed set of standards.

Twenty-four NGOs from 12 countries discussed the PEFC at a meeting in Antwerp last week. They complained that the PEFC has failed to show that it would ensure meaningful improvement in forest management.

They back the competing global Forest Stewardship Council (FSC) and say the PEFC threatens to undermine progress towards global solutions by focusing on Europe.

The attack comes as the PEFC is finalising accreditation of its first three national schemes in Finland, Norway and Sweden. Consultants hired by the PEFC are assessing programmes put forward by the three countries. Public comments are welcome.

"This is an important step in fulfilling the objective of promoting sustainable forest management," PEFC chairman Henri Plauche Gillon said after a meeting in Luxembourg in early March finalised rules for establishing that labeled timber comes from sustainably managed forests. "PEFC believes that everyone's views should be heard."

"We could see 25 to 30 million hectares (96,500 to 115,800 square miles) certified to the PEFC by the end of 2000," Plauche Gillon predicted.

The 13.5 million hectares (52,110 square miles) already certified under the Finnish national scheme are expected to rise to 22 million (84,920 square miles) by the end of 2000.

Currently, 3.5 million hectares (13,510 square miles) are certified by PEFC in Norway, and one million hectares (3,860 square miles) in Sweden.

The anticipated rapid growth in use of the PEFC logo could pitch the scheme into headlong competition with the global Forest Stewardship Council, which has certified nine million hectares (34,740 square miles) in Sweden.

Environmental NGOs are sceptical about whether PEFC is as effective in representing wider stakeholder interests as the NGO backed Forest Stewardship Council (FSC) system.

"They are trying to give the image of a credible label of sustainable forestry, but are really just labelling the status quo," Ellen von Zitzewitz of the World Wide Fund for Nature (WWF) European policy office said.

The global Forest Stewardship Council scheme, which WWF actively supports, is "already a compromise between economic, social and environmental factors" below which NGOs cannot go, she said.

The FSC has one-third of its representation from NGOs. In contrast, PEFC offered just two of 18 seats on national bodies to them, an offer von Zitzewitz said no NGO has taken up.

Environmental NGOs are concerned that logging continues in Europe's last old growth forests in Norway and Sweden, and that indigenous people's rights have been ignored.

The planned speed of PEFC's certification plans throws doubts on what it is doing, von Zitzewitz said.

The industry certifying agency hopes to sign up 25 million hectares (96,500 square miles) in Finland alone by year end, compared with a total of 20 million (77,200 square miles) certified by the FSC worldwide in the past four years.

The industry's Pan European Forest Certification system outperforms its global, NGO-backed rival on several counts in a comparative matrix published by the European paper industry April 12.

Under preparation for the Confederation of European Paper Industries (CEPI) for almost a year, the matrix assessed 26 national and international schemes with the aim of providing reliable information to purchasers and promoting mutual recognition. It was based on a questionnaire sent to 46 organisations worldwide, some of whom have still to reply.

The PEFC system scored more highly than the competing Forest Stewardship Council on accreditation procedures at the national level and transparency rules regarding public information, as well as on compliance of accreditation bodies with International Standard Organisation requirements.

On most other indices, such as independence and impartiality, consensus building and product labelling, the two schemes performed almost identically.

## **TWO SETS OF CERTIFICATION CRITERIA SIDE BY SIDE**

The **FSC** certification criteria emphasize that ecological functions and values shall be maintained intact, enhanced, or restored, including forest regeneration and succession; genetic, species, and ecosystem diversity; and natural cycles that affect the productivity of the forest ecosystem. Compensation for indigenous peoples; protection for rare, threatened and endangered species and their habitats and environmentally friendly non-chemical methods of pest management are emphasized.

The complete listing of FSC certification criteria is online at:  
<http://www.fscoax.org/principal.htm>

**PEFC** bases its certification standards on the six Pan-European Criteria for Sustainable Forest Management. In brief, "The stewardship and use of forests and forest land in a way and at a rate, that maintains their biodiversity, productivity, regeneration capacity, vitality and their potential to fulfil now and in the future, relevant ecological, economic and social functions, at local, national and global levels and does not cause damage to other ecosystems."

The full set of criteria is online at: <http://www.pefc.org/technic.htm>