

Report for AF&PA

**Trade and Environment
Program in Europe**

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“INFORMING THE SUSTAINABLE WOOD INDUSTRY”

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Contents

1.	Summary.....	3
2.	Forest certification developments	3
2.1.	Distribution of certified forest area and CoC certification.....	3
2.2.	Programme for the Endorsement of Forest Certification Schemes	5
2.2.1.	Response to QACC	5
2.2.2.	ENGO Symposium.....	6
2.2.3.	PEFC National developments	6
2.2.3.1.	Schemes undergoing endorsement.....	6
2.2.3.2.	PEFC UK Third AGM 07/07/2004	6
2.2.3.3.	PEFC in the Czech Republic	7
2.2.3.4.	PEFC in Germany	7
2.2.3.5.	PEFC in Italy	7
2.3.	Forest Stewardship Council.....	7
2.3.1.	New FSC chain of custody standards	7
2.3.2.	FSC Plantations website.....	7
2.3.3.	FSC Certified Brazil	7
2.3.4.	FSC in the Netherlands	7
2.3.5.	FSC in the United Kingdom.....	8
2.4.	International harmonisation of chain of custody standards	8
2.5.	Legitimacy threshold model	8
3.	International agreements and institutions	9
3.1.	FLEGT.....	9
3.1.1.	European Commission finalise FLEGT regulations	9
3.1.2.	Russian FLEG process gets underway	10
3.1.3.	ODI look at role of independent monitors.....	10
3.1.4.	Assessment of existing EU legal frameworks for illegal logging	11
3.2.	Tropical Timber Trade Action Plan	12
4.	National timber procurement policy	13
4.1.	WWF Government Barometer.....	13
4.2.	United Kingdom	14
4.2.1.	UK announces appointment of timber experts	14
4.2.2.	British Woodworking Federation says certification policy on-target	14
4.2.3.	BRE decides to remove discriminatory certification policy	14
4.3.	Danish government takes steps to implement procurement policy	15
4.4.	German Federal government policy still allied to FSC	15
4.5.	Spain.....	16
4.5.1.	Spanish public sector asks for FSC	16
4.5.2.	AEIM to strengthen code of conduct.....	16
4.6.	France.....	17
4.6.1.	France introduces tropical timber policy	17
4.6.2.	French trade association develops corporate social responsibility guide	18
4.7.	The Netherlands	18
4.7.1.	BRL, a possible replacement for Keurhout	18
4.7.2.	Vos Bill back on the agenda.....	18
4.8.	Ireland moves to inclusive approach.....	19
4.9.	Polish furniture sector interested in FSC	20
5.	Environmentalist campaigns	20
5.1.	WWF forest and trade network changes direction on FSC-only policy	20

1. Summary

- Recent changes in certified forest area have continued to focus on North America, with a significant increase in CSA certified forest land.
- CoC certification is expanding rapidly, particularly through the PEFC scheme in Europe.
- PEFC publicly questions the transparency of the World Bank/WWF process to develop assessment procedures for forest certification schemes
- 5 schemes seek PEFC endorsement (Australia, Canada, Italy, Chile and Portugal).
- The first German builders merchant to stock PEFC certified timber
- FSC reports positive reaction to new chain of custody standards
- The Netherlands largest bank and several construction companies commit to FSC
- European industry continue efforts to harmonise chain of custody standards
- Legitimacy Threshold Model: an “assessment of forest certification assessments”
- European Commission finalise FLEGT regulations
- Russian FLEG process announced
- European trade develops Tropical Timber Trade Action Plan
- WWF reviews government procurement policy
- UK announces establishment of Central Point of Expertise on Timber
- Dutch government seeks to impose tough requirements on forest labelling favouring FSC
- BRE takes steps to remove discrimination on forest certification
- German Federal government remains stuck on FSC, despite intense debate
- France introduces tropical timber procurement policy favouring mutual recognition
- Spanish public sector begins to demand FSC
- WWF forest and trade network loses members as monitoring intensifies.

2. Forest certification developments

2.1. Distribution of certified forest area and CoC certification

The total certified forest area worldwide has increased by 8.9%, with the largest increase noted in North America; namely Canada (see Table 1).

In comparison with data presented in November 2003, the most significant increase in certified forest area has been under the CSA scheme, increasing by over 36% in a nine-month period. All the leading certification schemes increased in area during the same period

European certified forest increased by 5.6 million hectares during this period, mainly due to expansion of PEFC forests. North American certified forest area increased by around 9 million hectares.

The area of certified forest in South America remains restricted, but there has been a 40% increase from this small base since November 2003. All the additional area is within the FSC scheme.

Table 2 shows total PEFC certified forest area in Europe in July 2004. This year, most PEFC certification has been concentrated in France, Spain, Belgium and Switzerland.

Chain of custody certification continues to rise rapidly, particularly in Europe (table 3 and 4). Since the end of 2001, a total of 4809 certificates have been issued worldwide. Between December 2003 and July 2004, the number of PEFC CoC certificates issued increased by 628 from 992 to 1620. FSC issued 390 certificates worldwide during the same period.

Recent increases in PEFC COC certification have been heavily concentrated in France. There has also been significant growth in Austria, Switzerland and the UK.

Table 1: Certified Forest Area (July 2004) by region and certification scheme (million ha)

Region	FSC	PEFC	CSA	SFI	Other	Total July 04	Total Nov 03	% Change
N America	9.1	-	24.4	42.6	12	88.1	79.4	11.0
South America	4.9	-	-	-	-	4.9	3.5	40.0
Europe	26.2	52.1	-	-	-	78.3	72.7	7.7
Asia	0.5	-	-	-	4.7	5.2	4.5	15.6
Australasia	0.9	-	-	-	-	0.9	0.8	12.5
Africa	1.7	-	-	-	1.5	3.2	2.8	14.3
Russia	1.4	-	-	-	-	1.4	1.4	0.0
Total July 04	44.7	52.1	24.4	42.6	18.2	182	165.1	10.2
Total Nov 03	40	48.9	17.9	41	17.3	165.1		
% change	11.8	6.5	36.3	3.9	5.2	10.2		

* Other includes ATFS in North America, Malaysian Timber Certification Council in Asia, and 1.2 million hectares of Keurhout certified Forest in Gabon, Africa.

Table 2: PEFC Certified Forest Area in Europe (hectares)

Country	Certified Forest Area		
	Jan-04	Jul-04	% Change
Austria	3924000	3924000	0.0
Belgium	164450	206524	25.6
Czech Republic	1911210	1932045	1.1
Denmark	7444	9827	32.0
Finland	22298165	22298165	0.0
France	2977058	3266589	9.7
Germany	6781186	6892983	1.6
Italy	0	0	0.0
Japan	0	0	0.0
Latvia	25696	27698	7.8
Netherlands	0	0	0.0
Norway	9194000	9231700	0.4
Spain	87898	254167	189.2
Sweden	3756624	3756624	0.0
Switzerland	245497	276879	12.8
UK	9125	9125	0.0
Total	51382353	52086326	1.4

Table 3: Total chain of custody certificates issued by June 2004

Region	FSC	PEFC	CSA	Other*	Total July 04
N America	512		4		516
South America	242				242
Europe	1843	1620			3463
Asia	397			46	443
Australasia	56				56
Africa	139			6	145
Total	3189	1620	4	52	4865

* Other includes MTCC in Malaysia and Keurhout in Africa.

Table 4: PEFC Chain of Custody Certificates by Country

Country	Chain of Custody Certificates			
	Jan-04	Jul-04	Change	% Change
Austria	243	272	29	11.9
Belgium	7	9	2	28.6
Czech Republic	59	95	36	61.0
Denmark	0	0	0	0.0
Finland	76	80	4	5.3
France	307	523	216	70.4
Germany	341	401	60	17.6
Italy	2	6	4	200.0
Japan	1	1	0	0.0
Latvia	13	13	0	0.0
Netherlands	2	2	0	0.0
Norway	5	5	0	0.0
Spain	2	15	13	650.0
Sweden	42	46	4	9.5
Switzerland	82	111	29	35.4
UK	22	41	19	86.4
Total	1204	1620	416	34.6

2.2. Programme for the Endorsement of Forest Certification Schemes

2.2.1. Response to QACC

The PEFC Council issued a response to the QACC (Questionnaire for Assessing the Comprehensiveness of Certification Schemes/Systems) testing process on 5th July 2004. The World Bank now has a policy of supporting forest projects in developing countries that are independently certified. The Bank have been working closely through their partnership with the WWF to develop QACC as the basis for assessing forest certification schemes eligible for this support.

PEFC's open letter to the World Bank expressed dissatisfaction with both the process by which QACC was developed, as well as a perceived bias towards one system.

"The PEFC Council notes, with regret, that the QACC was developed internally by WWF and the World Bank with no external multi-stakeholder participation or consultation. It is unfortunate that the two advocates (World Bank and WWF) of broad participation (including in the QACC requirements themselves) have not respected this valuable principle in the preparation of QACC

An initial analysis of the QACC demonstrates that the document has been drafted with a strong bias towards one international certification system. This bias is obvious both in the structural elements and in the use of specific terms".

The letter then went on to offer the PEFC Council's participation in the development of new QACC guidelines if the process could continue with no further conflict of interest, to provide a 'credible mechanism'. Therefore the PEFC rejected the QACC in the present format.

2.2.2. ENGO Symposium

The PEFC took part in the first ENGO Symposium held in France this year. 15 Separate groups were present at the symposium, organised by FNE (France Natural Environment), representing 13 countries. The primary objective of the symposium was the exchange of views and ideas on forestry certification in general, although there was a particular emphasis on PEFC. In addition to this, visits to PEFC and state forest took place.

2.2.3. PEFC National developments

2.2.3.1. Schemes undergoing endorsement

At the current time, there are five national schemes undertaking the PEFC endorsement process. Three of these (Italy, Chile and Australia) are in the process of compiling their national reports. In addition to these schemes, Portugal is currently undertaking the main process, with comments due by 20th July 2004.

The tendering process for a consultant to the Canadian CSA scheme is underway, with assessment work expected to be announced shortly.

2.2.3.2. PEFC UK Third AGM 07/07/2004

Figures announced by the chairman at the 3rd annual general meeting of PEFC UK suggested that the number of CoC certificates issued in the region exceed the official published figures. It was stated that 70 organisations in the UK hold CoC (whilst official figures show 41), and that recent accelerated demand may lead to over 100 certificates in the near future.

The restricted level of PEFC certified forestry in the UK was attributed to a depressed timber market, but it was felt that a recent upturn could result in corresponding increases in uptake of PEFC forest certification.

The following comment was also included in the Chairman's statement:

'PEFC is not seeking a monopoly position [in the UK], believing that the market will choose that which meets its needs, and we attempt to build bridges with those who operate in the same area. This even extends to our in the past offering FSC a position on our board. The WWF seems to have difficulty in participating in constructive dialogue, and risk losing the hard won confidence in the whole concept of certification. Eventually there must be a coming together of all interested in sustainable forest management and credible credentials, but PEFC will continue meanwhile to listen to the views of all who operate the wood chain in what for the present are difficult market conditions'.

2.2.3.3. PEFC in the Czech Republic

The June 2004 bulletin of PEFC Czech Republic has announced a seminar to be held on 26th August 2004, titled 'Certification and Audit Seminar in Forest Management'. The seminar brings together a wide range of speakers throughout the Czech Forest industry, including representatives of FSC, PEFC, the PEFC council, Ministry of Agriculture, Training Forest Enterprise and a trade union. The event should provide an opportunity to discuss the future of certification in the Czech Republic, as well as in the wider European context.

2.2.3.4. PEFC in Germany

The first building/construction company in Germany is now advertising using the PEFC logo. The company is using two strategies; both product labelling, and feature articles in product brochures. This is significant in several ways, but particularly due to the size of the organisation (48 stores in Germany) and the contribution to a competitive market place for certified products in Germany. Prior to this event, large-scale promotion and product labelling in Germany had been restricted to FSC products.

2.2.3.5. PEFC in Italy

Four PEFC regional and group certification pilot projects should be finished by the end of summer, 2004. These forests, which extend to 600,000 hectares, are expected to be the first certified following PEFC endorsement of the Italian scheme.

2.3. Forest Stewardship Council

2.3.1. New FSC chain of custody standards

The new FSC CoC draft Pilot Testing scheme has announced preliminary outcomes. 35 manufacturing companies took part in the scheme, together with six certification bodies. Published highlights include:

- Positive reactions from the market on new labels, with more companies applying FSC labels to their products.
- Increased willingness to become involved in marketing and promotion of FSC products.
- Companies strengthening systems to eliminate controversial wood from supply chain.

2.3.2. FSC Plantations website

FSC has launched a new plantations website, focusing on principle 10 of the FSC Principles and Criteria and the plantations guidelines published in 2003.

2.3.3. FSC Certified Brazil

The first Latin American trade fair for FSC certified products took place between 15-17 April in Brazil, with over 2500 visitors and 50 participant organisations (made up of private companies, ENGOs, Government representatives, forest owners and producers). In addition to the trade aspect, seminars, conferences and meeting were conducted to enable information exchange between participants.

11 Latin American FSC national initiatives also convened at the fair, discussing guidelines for FSC certification of plantations and FSC priorities in the region for the coming months. There was also an information session for CoC to provide information to owners and producers.

2.3.4. FSC in the Netherlands

ABN Amro, the Netherlands largest bank joined with a large Dutch construction company in a commitment to increase their use of FSC timber. ABN Amro signed a contract to renovate all of their offices with FSC timber and board material. Bouwfonds committed to build 20% of their houses and its headquarters with FSC timber.

This commitment came at the BouwRAI 2004 building and construction trade fair in late March, where work was conducted by FSC Netherlands to increase the proportion of FSC timber in the construction industry. FSC Netherlands has set a target of achieving 20% FSC certified timber within this sector by 2006. A major part of this strategy is to develop agreements with major users of timber, together with providing assistance during implementation of policy.

The work to develop markets for FSC in the Netherlands is being part funded by a large Foundation (DOEN), supported by the National Postcode Lottery.

2.3.5. FSC in the United Kingdom

A new FSC chain of custody scheme for the UK was launched in June, designed to improve opportunities for smaller companies to become FSC certified. Group chain of custody is now offered by Oxford Timber Audits, who say a significant amount of interest has already been received. Group manager John Barne stated "*it will make FSC more accessible to small companies: importers, agents, printers, woodworkers, forestry contractors and so on*". The group are aiming to promote the scheme by focusing on the comparative simplicity of the certification process, as well as reduced fees in comparison with individual certification.

2.4. International harmonisation of chain of custody standards

In an effort to overcome trade barriers created by the diversity and complexity of different chain of custody standards, the European wood products sector is involved in two projects to harmonize these standards at an international level. Both projects are still under development and their outcome remains uncertain.

In 2003, CEI Bois (European woodworking association) and CEPI (Confederation of European Paper Industries) launched a joint project with the intention of creating a single harmonized chain of custody standard that could be adopted voluntarily by any forest certification scheme. The underlying objective is to develop a single standard that could be applied by companies dealing in both PEFC and FSC labeled products, removing the need for duplicate procedures and audits.

Progress by the CEPI/CEI Bois project has been slow due to the difficulties of accommodating a diverse range of views and approaches to chain of custody certification. However a third draft standard has now been developed which has been endorsed by an expert group employed by CEI Bois and CEPI. The objective now is to encourage buy-in from the PEFC and FSC. A longer term objective is to use the project as the basis for development of an ISO standard on chain of custody. Contact with the organisers of the project indicate there is great willingness to work with the leading North American schemes to further the process. CSA and SFI are seen as "*very important customers*" for the CEI Bois/CEPI project.

In 2004, partly in response to the slow progress of the CEI Bois/CEPI project, the PEFC launched a more narrowly focused project designed to harmonize the various chain of custody standards developed by national certification schemes endorsed by the PEFC scheme.

2.5. Legitimacy Threshold Model

Work has been continuing behind the scenes to develop the Legitimacy Threshold Model (LTM) as a potential framework for collaboration between forest certification schemes. LTM aims to move beyond mutual recognition, involving independent assessment of schemes while dealing with ENGO concerns that the process will not lead to progressive erosion of standards to the lowest common denominator. The aim of LTM is to allow all systems to compete on their perceived merits once they've qualified by crossing an appropriate legitimacy threshold.

The model encompasses development of agreed threshold for credibility; agreed methodologies for assessment; and establishment of an independent rating agency to benchmark systems. LTM would also involve development of a code of conduct between systems promoting fair competition.

The LTM originated from discussions between the lead certification schemes organized through the Forests Dialogue. Development was subsequently facilitated by the World Business Council for

Sustainable Development (WBCSD) through contacts with a wide range of interests. The process has the support of some large forest products companies and interests, while the leading certification schemes have shown varying degrees of interest, although generally positive.

At a meeting in March, LTM stakeholders agreed to commission a peer reviewed report to contrast existing assessment frameworks including CEPI, FERN, and the World Bank's QACC (Questionnaire to Assess Comprehensiveness of Certification Systems). The review would be jointly undertaken by consultants Ruth Nussbaum of Proforest and Markku Simula of Interfor. Meanwhile an information exchange has been initiated to establish a minimum threshold that could get broad based support. An LTM experts meeting was held in London during June 2004 to review.

3. International agreements and institutions

3.1. FLEGT

3.1.1. European Commission finalise FLEGT regulations

At a meeting held between on 19-20 July, the full European Commission agreed:

- a *Proposal for a Council Regulation Concerning the Establishment of Voluntary FLEGT Licensing Scheme for Imports of Timber Into the European Community*"; and .
- a *Commission Recommendation to the Council to Authorise the Commission to Open Negotiations for Partnership Agreements in Order to Implement the FLEGT European Action Plan*.

These two agreements represent the European Commission's endorsement of the draft set of regulations to implement the EU FLEGT Action Plan. These regulations need now to be agreed by the European Council of Ministers and the European Parliament to become EU law. Such is the political momentum behind the FLEGT process in Europe that few now anticipate any obstacles to the completion of this process.

Poul Nielson, the Commissioner for Development and Humanitarian Aid, made a formal statement following announcement of the Commission's decision. He emphasised that *"it is important – even crucial – that the EU engages itself wholeheartedly in the fight against illegal logging."* Furthermore he *"strongly encourage[d] other major markets for timber to join us, and put an effective end to the trade in illegal timber"*.

Nielson stressed that their approach was to work together with the wood producing nations:

"[The EU] has to rely on effective and on-going control of timber harvests in the wood-producing countries. This can only be achieved if these countries take the full ownership. We are therefore proposing a system of partnership agreements which will be providing support for the wood-producing countries to design licensing schemes that will make it possible to clearly distinguish illegal timber from legal timber. And to implement the necessary control systems to guarantee the credibility of the licensing schemes. At the same time we propose a licensing scheme to close our markets to illegal (non-licensed) timber from our partnership countries in order not to undermine their efforts."

Nielson emphasized the importance of ensuring the approach remained voluntary. In a reference to environmentalists efforts to push for more far reaching legislation imposing a unilateral EU ban on imports of illegal timber, he noted:

"Without the full co-operation of partners our customs authorities will not have the means to verify the legality of timber. And a unilateral approach would not allow us to play the positive role in fostering governance in these countries, which at the end of the day will make the difference between success and failure."

In any case, Nielson was confident that producing countries will be willing to participate:

"Estimates show that major producing countries in Africa could increase timber revenues by as much as 65% through collecting taxes on logs that are currently stolen from their forests. The incentives are obvious."

The European Commission is already encouraging national government agencies in the EU to approach government officials in major supplying countries to assess their willingness to engage in bilateral processes. Major targets to date have been Indonesia, Malaysia, and African tropical supplying countries. To date, this process of engagement has been largely uncoordinated, with national level officials complaining that they have been provided with insufficient guidance on the likely terms of bilateral agreements and wood products covered. Publication of the regulations should clarify the situation and herald the start of a coordinated approach.

3.1.2. Russian FLEG process gets underway

The Russian Federal Government has said that it intends to lead a process to establish a Northern Eurasia Forest Law Enforcement and Governance (FLEG) process. The announcement came at a scoping meeting held in May 2004 under the auspices of the United Nations Forum on Forests to discuss the possibility of such a process.

At the scoping meeting, the findings from similar regional initiatives were discussed and the value of civil society and private participation in the process was recognised. General principles for tackling illegal logging in Russia were also proposed at the meeting. It was agreed that a steering committee should be established to develop an Action Plan for development of a Northern Eurasian regional initiative. The aim would be to link this initiative to other FLEG regional processes and to the EU FLEGT Action Plan. The World Bank has stated it will provide technical support.

The Action Plan is expected to encompass areas such as the geographic scope of the regional initiative, which in turn will be determined by participation of other countries. Invites have been conveyed to all countries in the region, and the Russian government are now awaiting expressions of interest. Reports suggest the United States, EU and UK have already expressed their interest. There is widespread recognition amongst sponsors of the process that engagement of the Chinese will be fundamental to its success.

The preparatory process for development of the regional initiative is expected to take between 12 to 18 months. The preliminary draft Action plan is expected to be produced before the end of 2004. The Russian Federal Government plans to host a Northern Eurasian FLEG Ministerial Conference in mid 2005.

3.1.3. ODI look at role of independent monitors

In June 2004, the Overseas Development Institute (ODI) prepared a Forestry Briefing document summarising their research to assess the potential role of independent forest monitoring (IFM) in tackling illegal logging. This approach has been adopted with varying degrees of success in a few tropical countries. For example, the environmental organisation Global Witness has operated on this basis in Cameroon and Cambodia.

The main conclusions of the study:

- IFM differs from other forms of external monitoring by the high levels of independence and impartiality which it requires.
- Campaigning and advocacy are largely incompatible with IFM, though they may often be useful in other forms of external monitoring.
- IFM proceeds on the assumption that there is a functioning and legitimate legal framework. This assumption is problematic in many timber-producer societies, and calls for a broader approach than IFM alone.
- Recent IFM initiatives have created a momentum for reform, most notably through the injection of new information into national and international debates. There was evidence in some cases of increased discipline within the state enforcement agency and timber industry. Informants from producer countries were generally less appreciative of these benefits than those from consumer countries. This is limiting their impact.
- Local and international legitimacy are both important dimensions of verification. Without the support of all main stakeholders (including progressive elements within the forest industry) it is unlikely that monitoring will lead to sustainable reform.

- Developing a constructive profile for IFM and associated activities that emphasise incentives for good forest management as well as the negative aspects of forest crime, is a challenge that needs to be urgently addressed.
- IFM needs to be complemented by other activities to widen public engagement with the forest sector and to ensure pressure for its sound management.
- In the case of donor-assisted IFM, a clear exit strategy may help create a positive working environment and ensure an emphasis on capacity building and the forging of institutional links and ownership.

ODI is a UK quasi-government research institute focused on international development issues. The work was undertaken with the support of the UK government's overseas development agency, the Department for International Development (DFID).

3.1.4. Assessment of existing EU legal frameworks for illegal logging

As part of the planning process for development of the FLEGT process in Europe, national governments were invited to assess the current status of their existing legal frameworks with respect to the handling of illegal wood imports and associated money laundering. The results of the German assessment were presented at a meeting arranged by the Royal Institute of International Affairs in held in June in London. The German situation provides a useful case study of the legal challenges likely to be faced by other European countries as they try to come to grips with the illegal logging issue.

The German legal analysis was undertaken by the Federal Ministry of Consumer Protection, Food and Agriculture. The following information was gathered:

- Under German law, timber is an asset and can be the subject of German money-laundering offences (Section 261 of the Penal Code- StGB)
- Various activities related to illegal logging already represent preliminary offences to money laundering, for example theft and fraud, but only if committed by a "gang" (rather than an individual) and only if on a commercial basis.
- If the preliminary offence was committed abroad and is punishable there, it can be prosecuted in Germany.
- There is a potential penalty of up to five year imprisonment for these offences.

On the basis of this information, the Ministry believe that there is no need to expand the catalogue of preliminary offences.

However, further measures would be required to improve enforcement with regard to illegal timber trafficking. The German investigation found that EU customs offices do not have the authority to detain timber imports from illicit origins unless they are CITES-listed species. Other elements of existing German legislation may allow certain measures to be taken, but these are subject to significant constraints.

If a concrete suspicion of money laundering in an overseas country is reported to a German police station, the local police are empowered to report this to the German Financial Intelligence Unit (FIU) located at the Federal Criminal Police Office. This unit was formed in accordance with EU legislation on money laundering, and there equivalent organisations in all EU member states. The FIU is empowered to exchange data with competent bodies abroad to initiate a police inquiry there. The results are then reported back, the timber may be confiscated, and judicial proceedings may be instituted.

However this process is very rarely used, for a variety reasons. Few people are aware of it's existence. The process is also difficult to initiate, as the original suspicion must be sufficient to be deemed acceptable by the authorities. Furthermore, the activity must be illegal in the country of offence, or these laws will not apply. Therefore it would be difficult to take action if money is laundered through a different country from where the original timber theft took place. And the whole process hinges on the effectiveness of the legal framework and enforcement agencies in the timber exporting country.

The main conclusion drawn from the German investigation is that there are legislative mechanisms in place, but that exchange of information must take place to allow their utilisation. The German Federal Government proposes that this should be carried out through a ‘Typology paper on illegal logging and money-laundering’ which provides an open-ended collection of case studies and scenarios that are suitable to raise suspicion. Efforts should also be made to raise awareness of the illegal logging issue in complimentary sectors such as customs and the financial sector. Banks and institutional investors should be encouraged to report client behaviour that might indicate money laundering.

3.2. Tropical Timber Trade Action Plan

Part of the EU FLEGT Action Plan is to encourage private sector action to tackle illegal logging, for example through promotion of industry codes of conduct. This has already encouraged a response from the European trade. Four timber trade associations have put together a project proposal for EU funding jointly with the Tropical Forest Trust, an NGO with expertise in timber supply chain management. The four timber trade associations are VVNH in the Netherlands, the UK Timber Trade Federation, the Belgian Timber Trade Federation, and the Malaysian Timber Council. The project is expected to cost €7 million, 50% of which is being sought from the European Commission.

The objective of the project, referred to as the “Timber Trade Action Plan for Good Governance in Tropical Forestry” is “*to eradicate illegal tropical timber from the supply chains of four timber trade federations (TTFs), representing over 40% of EU imports by country.*” The geographical focus of the project will be Cameroon, Gabon, Indonesia, and Malaysia. The focus is limited to tropical forests because funding is being sought under the European Commission’s developing countries and tropical forestry budget lines.

The Action Plan is designed to directly address illegal logging and its underlying causes, with main activities focusing on practical methods for timber tracking and establishing and monitoring chain of custody (CoC) and timber certification schemes. More specifically, the action plan will:

- provide technical assistance to implement supply chain management systems (defined by a Chain of Custody standard);
- use independent audits of all supply chains with chain of custody, to verify legality;
- establish voluntary codes of practice for the partner EU Timber Trade Federations, covering legal harvesting, processing and procurement, Chain of custody and auditing;
- establish a European Timber Trade Federation coordinating body to support and promote good governance in the tropical forestry sector, during and after the action timeframe.

A major theme is to draw together the four timber trade associations under shared codes of practice on environmental timber procurement. The Action Plan proposes that:

- All participating TTF members will be invited to sign revised membership criteria that documents their commitment to handle only verifiable legal timber.
- Having done so, all participating TTF members will require their suppliers to provide assurance of the legality of the timber they supply.
- A reference tool, detailing the national legislation and documentation defining legality, for each of the four producer countries (a so-called “Guide to Legality”) will disseminate good practice on forest law, to be ‘enforced’ at a business-to-business level.
- There should be pilot testing of timber tracking and supply chain management systems in the four producer countries under a commonly agreed Chain of Custody (CoC) standard.

In practice, TTF members will be asked to request a formal written declaration from suppliers in the four producer countries that the timber is legally produced. This timber must be able to withstand independent audit and demonstrate conformance with legal documentation as itemized in the ‘Guide to legality’. TTF members may choose to stipulate production of this documentation as a contractual requirement.

The Action Plan envisages development of a ‘Risk Assessment Tool’ for timber purchasing managers. The tool would enable purchasing managers of TTF member companies to conduct initial supplier reputation screening allowing them to select present and future suppliers with greatest potential to supply legal timber. Such suppliers may then be engaged in field level verification processes.

The Plan envisages a progressive increase in scope to encompass a wider range of trade associations and countries.

4. National timber procurement policy

4.1. WWF Government Barometer

Between February and March 2004, the WWF undertook a “Government Barometer” survey to measure EU governments’ commitments and actions against illegal logging. The survey was undertaken by WWF staff throughout the European countries. National governments in the EU were rated against nine criteria which WWF regard as important in ensuring effective action against illegal logging (table 4). Government’s efforts with regard to these nine criteria were rated from zero to two, which allowed WWF to calculate a total score for all countries as well for all issues. The lowest possible total score for a government is 0 and the highest possible score is 18. The lowest possible total score for the EU as a whole on an issue is 0, and the highest possible score is 24. The results are presented in table 5.

Table 5. WWF Criteria to assess government commitment to action on illegal logging

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| 1. Position on the development of a voluntary licensing scheme on timber |
| 2. Position on an EU legislation that would outlaw the import and marketing of illegal wood |
| 3. Position on an EU initiative to stop illegal logging in EU access and candidate countries |
| 4. Level of collaboration across Government departments on the FLEGT action plan |
| 5. Commitment to ensure public procurement of legal and sustainable wood products |
| 6. Implementation of commitments on public procurement of legal and sustainable wood products |
| 7. Participation in partnerships on combating illegal logging and related trade |
| 8. Effect of participation in partnerships on combating illegal logging and related trade |
| 9. Level of priority for projects in wood-producing developing countries to reduce illegal logging |

Table 6. Results of WWF Government Barometer survey

Criteria:	1	2	3	4	5	6	7	8	9	Total
Country:										
UK	2	1	0	2	2	1	2	0	2	12
Denmark	2	1	2	2	1	0	0	0	1	9
Germany	2	0	1	1	1	0	1	0	1	7
Sweden	1	2	2	1	0	0	0	0	1	7
Austria	1	0	1	2	1	0	0	0	1	6
Finland	0	1	1	2	0	0	0	0	2	6
France	2	0	0	1	2	0	0	0	1	6
Greece	2	2	1	0	1	0	0	0	0	6
Netherlands	2	1	0	2	0	0	0	0	1	6
Spain	2	1	2	1	0	0	0	0	0	6
Italy	0	2	2	1	0	0	0	0	0	5
Portugal	1	2	2	0	0	0	0	0	0	5
Total	17	13	14	15	8	1	3	0	10	81

The WWF survey indicates that the UK and Denmark are considered by WWF to be the most proactive on the illegal logging issue. This reflects the fact that the UK early on appointed itself a focal point on this issue and was the first to publish a specific plan of action for public sector timber procurement. Denmark has also moved quickly to develop a policy on public sector timber

procurement. Unlike the UK policy, the Danish policy considers only tropical timber and implementation is voluntary for government departments.

The WWF survey provides useful snapshot of the EU government policy position early in 2004. But this is a fast moving issue. FLEGT is now a priority for European governments, several of which have taken more substantive action since the start of 2004.

4.2. United Kingdom

4.2.1. UK announces appointment of timber experts

The UK Government appointed two bodies (Proforest and ERM) as the Central Point of Expertise on Timber (CPET) in June of this year. The stated aim of CPET is to “*support buyers and suppliers by providing expert and impartial guidance and advice*”. It will be tasked initially with “*assessing existing forest certification schemes and publishing clear guidance on the extent to which they can assure central Government buyers that contract obligations are being met.*”

Phase one of CPET’s work, currently being undertaken, includes a review of the definitions of “legal” and “sustainable”. CPET is also reviewing certification schemes to assess their ability to supply timber from legal and sustainable sources. Five schemes have been chosen for initial assessment: FSC, PEFC, CSA, SFI and the Malaysian Timber Certification Council. It is understood that there will be no ranking of schemes, they will either pass or fail. Results from Phase I CPET activities are anticipated in autumn 2004.

Phase two of CPET’s is likely to be to develop more detailed criteria for “other evidence” that may be accepted in the absence of certified material. While other forms of evidence will continue to be allowed to ensure conformance with international trade rules, UK government officials are generally quick to stress their belief that independent third party certification is the key to credible assurance in timber procurement.

4.2.2. British Woodworking Federation says certification policy on-target

During 2003, members of the BWF Timber Window Accreditation Scheme (TWAS) made a commitment to source all wood used for accredited windows to derive from “*independently certificated sustainable sources by the end of 2004.*” BWF policy is to recognise “FSC, PEFC and equivalent schemes”. In an interview in June 2004, the BWF Director confirmed that this recognition extends to leading North American schemes, including SFI and CSA.

The TWAS has been developed by the UK window industry as a key part of their strategy to win back market share lost to uPVC products in recent years. It’s main focus is on product quality and to provide long term life-time guarantees for wooden window frames. The environmental message is an additional selling point of the scheme.

BWF assess member commitment under the scheme on a regular basis. The BWF Director notes that these assessments have not yet identified any significant problems for members hoping to achieve the target of 100% independently certified timber by end 2004. He notes that the vast majority of wood used for wood window frames is softwood from the Nordic and Baltic countries for which FSC and PEFC certified material is now readily available.

Another finding of the BWF company assessments has been that a majority of small and medium sized manufacturers report that they are never asked for any form of forest certification by their clients.

4.2.3. BRE decides to remove discriminatory certification policy

The Building Research Establishment are reviewing the approach to forest certification adopted in BREEAM, their environmental assessment method for buildings. All construction financed by the UK public sector is now subject to BREEAM. The review has come in response to criticism that their current allocation of points to different schemes lacks scientific rigor.

The current BREEAM standard (prepared in November 2003) gives credits for FSC and PEFC forest certification schemes only, with PEFC having to offer a higher percentage of certified material than FSC to achieve the same level of credit. The documentation states "*other independently certified schemes will be allowed if it can be shown that they are the equivalent of FSC and PEFC*".

In June 2004, BRE announced that timber credits are to be revised with the overall aim of "*encouraging a drive for certified products*". In announcing this objective, BRE noted that to date only about 10% of assessments have been achieving the timber credits due to problems in supply. Rather than allocating differential timber credits according to the scheme, in future credits will be based on the volume of certified timber used.

The revised version of EcoHomes is expected to recognize the five certification schemes selected for analysis by the UK Government's Central Point of Expertise on Timber, subject to a satisfactory outcome of this analysis. To be accepted by EcoHomes assessors, these schemes must satisfy the condition for a third party, independent chain of custody. It will be the schemes responsibility to provide the necessary documentation and assistance to their clients in order to meet BRE's requirements.

4.3. Danish government takes steps to implement procurement policy

The Danish Guidelines for Purchasing Tropical Timber (published in 2003) were revised earlier this year. The new documentation now includes more comprehensive background material. This sets out in detail the role and structure of four forest certification schemes relevant to tropical forestry: FSC, MTCC, LEI and Keurhout. Of these, only FSC is deemed to adequately demonstrate that wood supplies are "legal" and "sustainable". The key factor for the government in sustainable procurement is independent third party certification, in addition to traceability.

Although the government guidelines are voluntary, the Danish government expects all public bodies to adhere to them. The Danish Ministry of the Environment is responsible for implementation of the guidelines. Publication of the new documentation coincided with a Danish government campaign to promote the guidelines' implementation. This period of activity culminated in a national conference in May

Speaking at an event in London in June, a representative of the Danish Ministry of the Environment said they believed they had developed good relationships with both trade organisations and NGOs. This should help to facilitate further development and to carry out an evaluation of the work completed to date. These and other issues will be discussed at a timber procurement policy meeting in Copenhagen, planned for September 2004.

4.4. German Federal government policy still allied to FSC

Efforts are being made to reformulate Federal government policy on environmental timber procurement. Current Federal government policy, as set out in a pact agreed between the ruling SPD-Green party coalition in October 2002, is to require all timber to be used in Federal government procurement contracts to be FSC certified by the end of 2006. This commitment was politically controversial since several German Lander (states) are committed to PEFC certification for their own forests.

A decision was taken to reformulate the policy during 2003. The German government also now emphasise that their commitment is only intended to cover Federal government purchases of tropical timbers. In addition, the policy is not mandatory and is only intended as guidance for Federal departments.

The new procurement policy will include a set of criteria for assessment of forest certification schemes. Negotiations began last year when a group of experts were asked to prepare a set of criteria. The group prepared an initial draft drawing on the practical experience of GTZ, the German aid agency, in promoting implementation of forest certification in the tropics. The group of experts' two page document was sent to the Federal Ministries for Economics and for Overseas Development, both of which endorsed the approach recommended. However, green party officials at the Ministry of Environment complained that the draft criteria moved too far from the FSC approach.

No decision on a final set of criteria had been announced by end June 2004. However it seems the views of the Ministry of Environment are winning through. At a meeting arranged by the Royal Institute for International Affairs in London in June 2004, German government officials suggested that a decision has already been taken to use the FSC Principles and Criteria as the benchmark for assessment of forest certification standards. They also indicated that the criteria are likely to be completed by end July 2004 and that assessment of schemes against the criteria would follow soon after.

4.5. Spain

4.5.1. Spanish public sector asks for FSC

Recent contacts with representatives of AEIM, the Spanish timber trade association, suggest that public sector concern for environmental timber procurement is rising rapidly. This follows publication of the FLEGT Action Plan and a series of high profile environmentalist campaigns focusing on illegal logging in tropical regions in 2002 and 2003. Large timber importing companies that are members of AEIM report that there is increasing pressure coming from public sector officials to supply FSC certified product. Although attention is focused mainly on tropical hardwoods, some importers are beginning to report difficulties in selling uncertified temperate and boreal species into the public sector.

So far, the Spanish central government is not known to have issued any formal statements or guidelines on environmental timber procurement policy. However a few local authorities have done so, including the City of Barcelona, Andalucia, and the Basque region. It seems many public procurement officials are responding directly to environmentalist campaigns targeting illegal logging and promoting FSC certified products. There is not yet a co-ordinated or considered approach to public sector timber procurement.

Members of the wood products industry are due to meet with the Minister for Environment of the new socialist government in July to discuss Spanish government action to further their commitment to the European FLEGT process. This may herald the start of a more rational and coordinated response.

4.5.2. AEIM to strengthen code of conduct

The Spanish Timber Importers' Association (AEIM) is the main representative association of the Spanish timber trade. A code of conduct was first introduced for members of the Association on 12 April 2002. The code is targeted specifically at tropical timber and makes a point of emphasizing that such timber accounts for only 15% of wood sourced by AEIM members. The code requires AEIM members to take steps to ensure that tropical wood derives from legal sources. More specifically, members should seek from their suppliers evidence on the precise forest of origin of wood products and details of forest management plans and harvesting licenses. The Code includes a broad commitment for members to support the development of independent third party forest certification schemes. AEIM state their intention to collaborate with governments in producer countries in support of sustainable forest management.

In a personal communication in June 2004, the AEIM Director noted that the association is now considering strengthening the code of conduct, possibly through the introduction of a standard contract form which would require suppliers to provide an assurance of legality and to make a firmer commitment to give preference to independently certified wood products in the medium to long term. On the question of acceptable forms of certification, the AEIM Director stated that the association will remain neutral on this issue, although he stated that FSC is currently the preferred scheme amongst the AEIM membership. He noted that at present, around 17 AEIM member companies are FSC chain of custody certified, compared to only one (timber agent) that has pursued PEFC certification.

4.6. France

4.6.1. France introduces tropical timber policy

In April 2004, the French Ministère de l'Ecologie et du Développement Durable issued the "*Plan d'action du gouvernement en faveur des forêts tropicales*". This sets out a broad action plan for French development assistance in relation to tropical forests and describes a new regime for public procurement of tropical wood. It states that this regime will be developed "*in partnership with the producer countries and in line with its support for sustainable forest management and its efforts to ensure enforcement of forest laws.*"

Public sector procurement will move progressively towards sources for which there is evidence of legal and sustainable production. The policy refers to recent European directives which have indicated that environmental requirements can be built into technical specifications. It also refers to a new French public procurement code which came into effect on January 10, 2004, which also allows environmental criteria to be taken into account when awarding supply contracts. These requirements will be elaborated by a set of guidelines on environmental procurement to be developed by an expert committee on "sustainable development and environment" (referred to as GPEM/DDEN) established by the Secretary of State Sustainable Development, also in March 2004. The subject of tropical hardwood procurement is to be treated as a priority.

The policy advocates a stepwise approach designed not only to improve public procurement practices, but also to encourage progressive improvement in forestry practices. This process will be elaborated sometime in mid 2004 with the issue of a circular by the office of the Prime Minister which will define specific targets for tropical hardwood procurement.

This circular is expected to:

- immediately place contractual obligations on suppliers of tropical hardwood to the public sector to provide the name of their supplier and to identify the source of logs;
- progressively impose requirements for suppliers to provide guarantees of legality subject to the development of adequate mechanisms (through bilateral FLEGT agreements with the producer countries and private sector initiatives);
- establish targets to progressively increase the volume of wood from sustainably managed forests.

The policy states that "*initially, purchases will be directed towards wood resulting from forests preferably certified, or subject to a sustainable forest management plan, taking into account the very low volume of currently available certified wood....the objective being that in the long term, the State and its publicly-owned establishments will buy only certified wood (FSC, PEFC, etc...).*"

The initial target will be to ensure that 50% of tropical hardwood will be from sources which are guaranteed legal and operating within a sustainable forest management program by 2007; to reach 100% by 2010.

To facilitate achievement of this target, the French government will encourage private sector initiatives, both in France and supply countries, to develop procedures for establishing traceability to forest of origin and legality of wood product sources. Furthermore, the French Government will support the development of independent and credible forest certifications in tropical wood producing countries. The government will encourage mutual recognition of the various existing systems in order to increase acceptance by consumers.

The Policy states that France's national standards-setting body, AFNOR, at the request of the Government, will be commissioned "*to undertake a study of the similarities and differences between the existing labels, as well as the feasibility of a formal mechanism for mutual recognition.*"

In addition, the French government will encourage the introduction of sustainable forestry requirements into existing criteria for EU eco-labels, for example the furniture criteria which are currently under development. There should be an emphasis on ensuring the traceability and legality

of all wood used in eco-labels, and on requiring applicants for eco-labels to demonstrate a progressive increase in the proportion of wood derived from sustainable managed forests.

4.6.2. French trade association develops corporate social responsibility guide

Le Commerce de Bois (LCB) is the representative trade association of French timber importers, agents and distributors. Personal communication with the Association in June 2004 indicates that environmental timber procurement is now a priority issue and that LCB is moving towards a more proactive stance.

LCB is in the process of preparing a “corporate social responsibility guide”. This document will consist of 3 chapters: procurement policy; sales policy; and social and environmental affairs. The development process is in the preliminary stages. Internal consultations have been launched with members and a working group has been set up. First contacts have been made with some stakeholders including environmental organizations, state officials, consumer associations and technical organizations.

LCB say that they “*support all internationally recognized certification schemes (PEFC, FSC, SFI, CSA...) and call for mutual recognition*”. They suggest that efforts should be made to develop an international standard for credible forest certification, with a single mark to replace the various brand marks of the different schemes.

4.7. The Netherlands

4.7.1. BRL, a possible replacement for Keurhout

The Dutch government is pushing the Dutch timber trade, environmental groups and other stakeholders to quickly reach agreement on a replacement for the existing Keurhout scheme. Broad stakeholder support for the Keurhout system has been progressively eroded due to continuous criticism by green groups, who saw it as a direct competitor to the FSC framework. In January 2004, Keurhout was taken over by the Netherlands Timber Trade Association (NTTA), essentially to provide a tool for the timber trade.

The Dutch Ministry of Spatial Planning, Housing and Environment has since 2002 been trying to build consensus around an alternative “Assessment Guideline for Certified Wood Products”, referred to as the “BRL”. The process has been lengthy, with a 14th draft set of guidelines published in the middle of 2003. This draft was regarded as sufficiently well developed to allow testing in the field. The consultancy PwC was commissioned to undertake the pilot test. Their results indicated that the guidelines were too detailed and inflexible to be used at an international level. Negotiations are now on-going in an effort to refine the guidelines with the objective of producing a final draft by Autumn 2004.

A key issue with regard to the BRL guidelines is the organization that should be responsible for their application and for undertaking assessment of certified wood products. NTTA are keen to re-establish Keurhout as the main mechanism, emphasizing that Keurhout is already a recognized brand in the Netherlands. They believe the introduction of yet another label would add to market confusion. NTTA also note that the Board of Experts employed by Keurhout is probably the best qualified in the Netherlands. The Chairman of the Board is a Professor of environmental science well respected by both sides. However the environmental community is firmly opposed to revival of the Keurhout brand.

4.7.2. Vos Bill back on the agenda

Back in 2002, the Dutch Environment Minister M. Vos tried to push a Bill through the Dutch parliament proposing a mandatory system of red and green labels for wood product traded in the Netherlands to indicate whether they are “unsustainable” or “sustainable”. After successful passage through the Lower House of the Dutch parliament, the Bill was blocked by the Upper House following advice from the European Commission that it would conflict with EU and WTO trade rules.

Undeterred, the Minister has now pushed an amended Bill through the Lower House. In line with advice provided by the Upper House in 2002, the amended bill removes references to the red label identifying “unsustainable” timber. Nevertheless, if the new bill is successfully pushed through the Upper House to become Dutch law, it would have a major impact on the Dutch market for timber products. The amended Bill sets out detailed requirements for forest and wood products certification in the Netherlands. Certificates that do not meet these requirements may not be marketed in the Netherlands. The aim appears to be to create a single forest management label for the Dutch market which is endorsed by the Dutch government. All other labeling brands would effectively be banned in the country.

The Vos Bill requirements for certification in the Netherlands draw heavily on the incomplete and untried proposals of the BRL process. They also require certification standards to be at least equivalent to the FSC. A reading of the Dutch Bill gives the impression that, as with the Keurhout scheme, the focus would be on assessing individual forest management units and chain of custody certificates. There would be no “rubber stamps” issued for whole certification schemes. The costs to individual exporters wishing to use the Dutch label may therefore be high. Individual forest owners and companies would be responsible for the full costs of any assessments. Furthermore, they would have to seek re-assessment against the Dutch criteria every three years. Reference to the FSC Principles suggests that the assessment process would be significantly easier for those that are already operating within the FSC system.

The Dutch government is hoping to adopt the bill in the early part of 2005, with the measure entering into force 2 years later. However, according to the Netherlands Timber Trade Association (NTTA) passage of the Bill through the Upper House will be heavily dependent on feedback received from the European Commission. Furthermore, NTTA suggest the Bill has been introduced primarily as a means of forcing the industry to come to an agreement with the environmental community through the BRL process. NTTA are reasonably confident that the law will not be passed as it comes into direct conflict with the legal framework of the European Union and WTO rules. However, the decision of the upper house is bound to be influenced by evidence of real progress through the BRL process.

4.8. Ireland moves to inclusive approach

The Irish government seems to be moving towards an inclusive policy on environmental timber procurement. It is likely to include preference for independently certified products while recognising a variety of schemes and allowing alternative forms of evidence when necessary.

The information comes from direct contacts with the Irish Office of Public Works (OPW) that is responsible for providing independent advice to the Irish government. It has primary responsibility for drafting the nation’s timber procurement policy. OPW is also influential in the private sector, having one of the largest architectural practices in the country and being the main body advising the country’s national architects’ association on this issue.

OPW note that they are keeping a close eye on developments in the U.K. They intend to use the results of the Central Point of Expertise on Timber (CPET) review of 5 forest certification schemes as input for the further development of Irish government procurement policy.

In the meantime, OPW have drafted a timber procurement policy statement that will be binding on architects employed by the Irish Office of Public Works. The main requirements of this policy are as follows:

- timber product suppliers must demonstrate that wood is derived from legal and sustainable sources.
- in line with WTO and EU procurement rules, no forest certification scheme will be favoured.
- no distinction will be made between FSC, CSA, SFI or other recognised schemes, so long as the supplier can provide an adequate assurance that timber derives from a legal and sustainable source.
- sustainable in this context is taken to imply an appropriate balance between economic, social and environmental criteria.
- suppliers of wood furniture should ensure that products meet the draft EU ecolabelling standard, or equivalent European standards (e.g. Nordic Swan).

The policy will be subject to review following the release of information by CPET on the ability of the various certification schemes to deliver legal and sustainable timber, probably in September or October 2004.

4.9. Polish furniture sector interested in FSC

The Poznan furniture show in May provided an opportunity to assess levels of interest in environmental issues and forest certification in a key component of the country's wood sector. Poland is now established as the leading external supplier of wood furniture to the European Union.

Discussions between the Consultant and furniture industry contacts at the show indicates that environmental interest in the industry is reasonably high. However this interest is coming entirely from major western European export markets, notably Germany, while domestic market interest is negligible. At present well over 80% of Polish furniture sales are exported, with 80% of exports destined for the E.U.

This interest is focused almost exclusively on the FSC certification program. Awareness of the PEFC and other forest certification programs is extremely low. The ability of Polish furniture manufacturers to offer FSC certified products manufactured with wood (notably oak) from state forests is an important part of their marketing appeal in western Europe. However this factor is not of overriding significance, being secondary to other marketing factors of quality, design, price, and reliability of service.

A further insight into Polish interest in environmental affairs comes from notes provided by Jerzy Karpinski, the General Manager of DLH in Poland, following the Poznan show. Karpinski claims that DLH account for 70% of tropical hardwood used in Poland. Most comprises meranti from Indonesia and Malaysia for joinery applications where it is successfully competing with domestically produced pine. DLH are keeping a close eye on environmental development in Poland as it has potential to affect their business in tropical hardwoods. Karpinski suggests that the Polish market is not yet particularly concerned about certification since there are still too many local problems. At present interest in tropical timber is high, particularly as it is price competitive against temperate hardwood products. DLH confirm that FSC is by far the most widely recognized certification program in Poland due to its dominance in domestic wood supply. While domestic demand is still limited, it is suggested that some of the big western European retailers now entering the Polish market are getting ready to introduce green procurement policies.

5. Environmentalist campaigns

5.1. WWF forest and trade network changes direction on FSC-only policy

Discussions with representatives of the WWF Global Forest and Trade Network (GFTN) indicate that a potentially significant policy shift is underway within the network. In the past, the main focus of GFTN activity was to promote FSC certification to the exclusion of other certification schemes. The framework also suffered from its failure to properly assess the real level of commitment by individual members. Now steps are underway to refocus activity on a broader approach to responsible timber procurement and to tighten up monitoring of member activities.

The GFTN has a very significant presence in Europe with 11 national networks in Austria, Belgium, Denmark, France, Germany, Italy, the Netherlands, Spain, Sweden, Switzerland and the United Kingdom. Membership extends to several hundred companies throughout Europe. Membership is often focused on large companies. Large retailers are still well represented, but in recent years these have been joined by a wide range of key trading and manufacturing companies. Most significant from the US export perspective are:

- large importers, for example in the UK (Timbmet), Spain (Tamalsa, Maderas Iglesias), Netherlands (Bekol), Belgium (Group Van Hoorebeke), in Denmark (DLH);
- large builders merchants, notably in the UK (Travis Perkins, Saint Gobain, Jewson) and Netherlands (e.g. Intergamma);
- a few construction companies (e.g. Carrillion in the UK);
- and large flooring manufacturers, notably in Sweden (Forbo Parquet, Tarkett Sommer) and Denmark (Junkers Industrier).

In the past, there has been considerable variation between countries in the operation of the GFTN. National groups have varied widely in the level of commitment to FSC certification expected of members, and the extent of monitoring of these activities by WWF. This is all changing as GFTN has determined to implement an internationally harmonised policy. The changes are explained by one representative of the Network:

The overall emphasis of the GFTN is to shift towards producer groups rather than the buyers' groups, in an attempt to address problems at the lower end of the supply chain. This does not mean that the Buyers' groups will cease to exist, but that the WWF recognises the need to tackle issues such as illegal logging at source. In addition to this, the emphasis on FSC certification will be removed...the main future focus will be upon 'responsible purchasing' rather than purely certified products. It is accepted that certification is a vital tool in this process, but it is not the only option available.

The WWF claim that the emphasis on FSC is to be "removed" is debatable. The criteria for credible forest certification defined in new GFTN guidelines for members draw directly from the FSC Principles. Therefore the end result of the new policy is likely to be a continuing bias in favor of FSC certified products. Nevertheless, there is no longer an exclusive focus on marketing a single brand and there is some room for other schemes to be recognized.

In addition to this shift in emphasis, there is a drive to greatly increase the level of commitment and extent of monitoring of individual members. Although membership requirements are still being developed, they are likely to include a time bound action plan and more regular site visits by WWF staff to assess progress.

These changes are being progressively introduced across the network, with the UK 95+ Group in the UK regarded as the "spearhead". The UK is the only country where the new guidelines have been almost fully implemented. Introduction of new tougher requirements for action plans and monitoring in the UK seems to have led to a massive turnover in the group membership. In 2001, the 95+ Group had 87 members. Membership had fallen to around 60 by mid 2004, including only 37 of the companies listed in 2001. Notable losses to the UK network in the last 3 years include Sainsbury's (supermarkets), Tesco, Tetrapak, Morrison construction and F W Mason, the latter of whom was one of the original founding members of the group.

Contacts with representatives of the Belgian and Danish groups also suggest that the new harmonized membership requirements are likely to have a profound effect on the size and structure of WWF Buyers Groups throughout Europe. The Belgian group representative noted that the harmonized policy is currently being implemented and that this would inevitably result in the loss of member organizations, particularly due to the tightened requirements for continuous improvement under the 'stepwise' approach.

A representative of the Danish Skog 2000 group suggested that Denmark, Switzerland, Austria, Germany and Sweden are all in the process of policy change, and this has resulted in the loss of members in all cases. The Danish representative attributed this (in their experience) to three factors:

- A number of organizations could not demonstrate any progression or development in their policy.
- Some organisations require high levels of mentoring by the regional network, with cannot be provided due to resource constraints.
- Smaller organisations cannot provide the resources required

At international level, the WWF are philosophical about these changes. According to a personal communication with an GFTN representative:

It is accepted that there may be a number of organisations lost from the networks as a result of the policy change. But in some ways this is a positive result, with more committed organisations remaining who will work well with the WWF.