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“INFORMING THE SUSTAINABLE WOOD INDUSTRY”

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Contents

Consultants commentary and highlights.....	4
1. Development of Forest Certification	6
1.1 Program for the Endorsement of Forest Certification (PEFC)	6
1.1.1 Status and area	6
1.1.2 New guide on avoidance of controversial timber.....	6
1.1.3 PEFC tightens procedures in response to stakeholder concerns	6
1.1.4 Russia makes a significant shift to PEFC	7
1.1.5 Certification of non-wood forest products.....	7
1.1.6 PEFC position papers on indigenous people and phased certification.....	7
1.1.7 PEFC praised for social criteria	8
1.1.8 German retailers association joins PEFC	8
1.2 Forest Stewardship Council.....	8
1.2.1 Status and area	8
1.2.2 FSC completes first phase of plantations review	9
1.2.3 New controlled wood standards approved.....	9
1.2.4 FSC discusses international generic forestry indicators.....	9
1.2.5 Draft multi-site Chain of Custody standards released	10
1.2.6 FSC approve project certification standard	11
1.2.7 FSC and the ISEAL Alliance.....	11
1.2.8 FSC makes progress in Australia	12
1.2.10 FSC accredits national standard for the Czech Republic.....	13
1.2.11 Indonesian teak plantations seek recertification.....	14
1.2.12 Leroy Merlin pursue FSC certification for garden furniture and flooring	14
1.2.13 M&S become first UK high street retailer to achieve FSC certification	14
1.2.14 World Rainforest Movement criticises FSC.....	14
1.2.15 More Swiss recognise FSC label.....	15
1.2.16 FSC supplies to Netherlands rise rapidly	16
1.2.17 FSC-watch.org launched	16
2. International Agreements and institutions.....	19
2.1 European Commission FLEGT.....	19
2.2 GLOBE Illegal logging dialogue.....	19
2.3 World Bank	20
2.3.1 Certification assessment guide.....	20
2.3.2 New lending requirements specify certification	20
2.3.3 New report on illegal logging in developing countries	21
2.4 CITES discuss mahogany and ramin	21
2.5 Climate change convention	22
2.5.1 Stern Review	22
2.5.2 International funding for “avoided deforestation”	23
2.5.3 UNFCCC, Nairobi, Kenya.....	24
2.6 East Asia Forest Law Enforcement and Governance	25
2.7 African Forest Law Enforcement and Governance process.....	25
2.8 Latin America FLEG.....	25
2.9 Europe-North Asia Forest Law Enforcement and Governance	26
2.9.1 Workshop develops guidance on national action plans.....	26
2.9.2 Forest Trends hosts meeting on Chinese-Russian trade	26
2.9.3 EU-Russia cooperation on the environment	26
2.9.4 Workshop discussing illegal trade in Baltic region	27
2.10 OECD looks at illegal logging	27
2.11 Forestry and Poverty Conference.....	27
3. National Procurement Policies	28
3.1 EC information exchange meeting on green procurement.....	28
3.2 UK review of forest certification schemes still on-going	28
3.2 Denmark rates forest certification schemes for legality.....	28
4. National forest policies	28
4.1 Indonesia	29

4.1.1 Structural change in the industry	29
4.1.2 Progress to tackle illegal logging	29
4.1.3 ENGOs keep up the pressure.....	30
4.3 Debate over forestry in Papua New Guinea	30
4.4 Cameroon: defining legality	31
4.5 Ghana develops legality verification.....	31
4.6 ...and so does Guyana.....	32
4.7 Brazil: Amazon deforestation slows.....	33
4.8 Russia.....	33
5. Private sector initiatives	33
5.1 Danzer and WWF agree to work together	33
5.2 European toy industry recognises both PEFC and FSC	33
6. Environmental campaigns.....	34
6.1 Greenpeace and WWF target Finland to force legislative agenda	34
6.2 Greenpeace: PNG wood in public procurement.....	34
6.4 WWF targets Asia Pulp and Paper	35
7. Events.....	35

Consultants commentary and highlights

The scope and intensity of political dialogue on environmental issues related to forests and the wood sector reached new heights during the third quarter of 2006. Governments, NGOs, and other interests continue to focus heavily on illegal logging and procurement policies. Meanwhile concern about climate change has become all the rage with key implications for the management of forests and the demand for wood. Discussions about the role and structure of forest certification schemes, which so dominated debate in previous years, now seem secondary to these broader global concerns.

During the build up to the annual **UN Framework Convention on Climate Change (UNFCCC) Conference in Nairobi** in November, there has been intense media interest in global warming. This was partly stimulated by a raft of new reports, one of the most influential being the **Stern Review**, an independent analysis of the economic risks and costs associated with global warming released by the UK government. The Review argues that the scientific evidence for climate change is now overwhelming, and that global warming creates serious risks and demands an urgent international response.

The Stern Review includes a chapter on forestry, suggesting that “*action to prevent further deforestation would be relatively cheap compared with other types of mitigation, if the right policies and institutional structures are put in place*”. The Review discusses various options to prevent deforestation, notably the provision of compensation to tropical countries for “**avoided deforestation**”. Despite daunting political and technical challenges, support for this approach is increasing. The World Bank has just issued a report arguing in favour. In Nairobi parties to the UNFCCC agreed that there should be further research into such a compensation mechanism and that the issue would be discussed in detail at their meeting in 2008.

To give their measures on illegal logging greater impetus, European and Japanese policy makers are also now highlighting the link between this issue and global warming. This was a key theme at the recent launch at the World Bank Annual Meeting in September of a new **G8 Dialogue on Illegal Logging** which aims to involve legislators from the G8 and major timber producing countries in the development of a practical action on illegal logging. At a G8 Dialogue meeting held in London during November, the UK Biodiversity Minister and the Japanese Environment Minister both stated that their interest in tackling illegal logging was heavily influenced by its contribution to deforestation and therefore climate change.

Meanwhile, global efforts through the Forest **Law Enforcement and Governance (FLEG)** are regaining some of their momentum. In East Asia, efforts are being focused on making arrangements for a **Second East Asian Ministerial** meeting on FLEG and also gaining formal ASEAN support for the process. These measures are expected to revitalise the East Asia FLEG process which, until now, has been lacking in impetus. Latin America also seems to be taking the first tentative moves towards development of a **Latin American FLEG** process. The Amazon Co-operation Treaty Organisation (ACTO) member countries participated in a workshop on the “Application of Forest Law Enforcement in the Amazon” in August.

Russian political commitment to the **Europe-North Asian FLEG** process still seems strong. The Russian authorities are currently finalizing preparation of a comprehensive “*National Action Plan To Combat Illegal Logging and Associated Trade*”. The approval and launch of this plan, in combination with the enactment of a new Forest Code in November, is bringing about substantial changes in the overall responsibilities and accountability of the industry in the utilization of forest resources in Russia.

In Europe, the European Commission is working towards creation of **FLEGT Voluntary Partnership Agreements (VPAs)** with a number of tropical producing countries. “Legality licensing” would be mandatory for producers wishing to export wood to the EU in countries that sign up to VPAs. In September, Malaysia became the first country to announce a firm intent to negotiate a VPA. Indonesia, Ghana, and Cameroon are also now close to taking this step.

Procurement policy also remains a priority in Europe, recently highlighted by meetings focusing on the issue organised by the UN ECE Timber Committee and the European Commission. These meetings have highlighted that while there is political will to develop these policies, at least in North Western Europe and Japan, some aspects of these policies remain unclear. There is great uncertainty over the likely long term impacts of the policies, and controversy surrounds countries differing interpretations of sustainability and the acceptability of various types of evidence. In Europe, the **UK, Dutch and Danish governments** are trying to harmonise an approach to these issues. But it remains to be seen how successful they will be. Regardless of these teething problems, the policies represent a clear trend: the presumption of legality in many producer countries is no longer felt to be reliable, and demonstrable “legality” of products is emerging as a minimum standard in both the public and private sector in some of the world’s largest markets.

At the same time **forest certification continues to evolve**, with many key developments driven by the emergence of the new public sector procurement policies. It is now more important for certification systems to demonstrate that no illegal wood enters the supply chain of labelled products. Hence both FSC and PEFC have announced **new “controversial wood” standards** in recent months designed to strengthen procedures in this area. And with governments and other organisations like the World Bank now taking a greater interest in the relative technical merits of different certification schemes, it has become important for these schemes to be able to provide evidence of conformance with international norms for standards-setting and accreditation. This in turn has increased the relative importance to the forest sector and levels of scrutiny of organisations like the **ISEAL Alliance** and the **International Accreditation Forum (IAF)** that effectively certify the certification systems.

On the ground, the pace of new forest certification under both the FSC and PEFC frameworks slowed temporarily in the third quarter of 2006 after significant gains made in North America and Russia during the previous 18 months. Nevertheless there remains significant potential for continuing expansion, notably for **FSC in Russia, Eastern Europe and Africa**, and for **PEFC in Russia and South America**. The rate of increase in chain of custody certification has remained high this year. Much of the growth is still concentrated in Europe, particularly in the UK and Netherlands, although there are also signs of FSC CoC certification making more ground in China and Japan during 2006.

Another potentially significant development is the recent emergence of stronger public criticism leveled against FSC from within the NGO community. To date, most criticism of certification has focused on the PEFC framework which is seen as fair game by the campaigning NGOs. Strong NGO participation in FSC coupled with their desire to ensure the scheme gains market hegemony, has tended to insulate FSC from this sort of negative publicity. But in November a new website **www.fsc-watch.org** was launched with the aim of increasing NGO and public scrutiny of the scheme.

1. Development of Forest Certification

1.1 Program for the Endorsement of Forest Certification (PEFC)

1.1.1 Status and area

After huge increases in PEFC certified forest area at the end of 2005 and first half of 2006 due to PEFC's endorsement of the SFI Program and rapid expansion under the CSA scheme, the rate of increase slowed significantly in the third quarter of 2006. During this period, the area of PEFC certified forest worldwide increased by only 1.1 million hectares. Most of the increase occurred in Australia (578,000 hectares), France (310,000 hectares) and Sweden (182,000 hectares). During the first nine months of 2006, certified forest area has increased by 5.2 million hectares, including 3.3 million hectares under the CSA scheme in Canada.

The rate of increase in PEFC chain of custody certification has remained high. 186 PEFC chain of custody certificates were issued between June and September this year, an increase of 7% to bring the total to 2851. 99 new certificates were issued in the UK during this period, a clear indication of the impact of the UK government's procurement policy favouring verified legal and sustainable timber. A total of 489 additional PEFC CoC certificates were issued in the first nine months of this year, including 167 in the UK and 114 in France.

PEFC currently has members in 31 different countries and has recognised national certification schemes in 21 countries. Eight forest certification systems are currently undergoing the PEFC endorsement process. Lithuania and Gabon have just submitted their forest certification systems for PEFC endorsement and the public consultation period will start in due course. Public consultation has just ended for endorsement of systems from Estonia, Slovenia and Poland and re-endorsement of systems from Austria, the Czech Republic and France.

PEFC estimates that certified wood now accounts for 25% of the world's industrial round wood production, with the overwhelming majority PEFC certified.

1.1.2 New guide on avoidance of controversial timber

To prevent wood from controversial sources finding its way into PEFC labelled products, the PEFC Council has published a new mandatory guide for the Avoidance of Controversial Sources. The guide introduces safeguard mechanisms against procuring illegally logged wood and complements the international PEFC Chain of Custody (CoC) wood tracking system. This system allows CoC certified organisations to make claims that wood contains a certain % of wood from certified forests. The guide is designed to ensure that none of the uncertified component derives from controversial sources. PEFC defines "controversial" as any wood derived from illegal sources.

The guide requires that PEFC CoC custody certified companies introduce safety checks such as risk analyses, external assessments and on-site inspections to ensure the legality of any uncertified wood used. The scope and the intensity of the checks depend on the risk of procuring timber from illegal harvesting. Certified material from other certification systems, such as FSC, is considered as not requiring further checks. These procedures are scrutinized by independent certifiers during the annual PEFC CoC audits.

1.1.3 PEFC tightens procedures in response to stakeholder concerns

Responding to concerns of procurement officials in some countries (notably the UK) and national certification bodies, the PEFC Board of Directors clarified two specific aspects of PEFC procedures at their recent meeting in Portland, Oregon:

- Requirements for consensus in the standard setting process: the Board approved a new guideline (Guideline GL5 / 2006) providing details of how these requirements should be interpreted.
- Peer review of assessment reports of national certification schemes: the Board made such

peer reviews mandatory for all assessments and reassessments of certification schemes with immediate effect. The panel of experts for undertaking peer reviews will comprise a range of interests including: forestry, certification and accreditation processes, NGOs (including social and environmental interests), and market access.

1.1.4 Russia makes a significant shift to PEFC

The two national initiatives for forest certification in Russia have decided to come together under the PEFC Council. The chairmen of the two national certification councils operating in Russia have signed a founding document establishing a national umbrella organization to represent both systems within PEFC. Both initiatives have stated that they will submit their certification systems for PEFC endorsement in due course.

One of the initiatives, The National Council of Voluntary Forest Certification in Russia (RSFC) has been a member of PEFC since October 2004. This scheme was initiated by organisations mainly based in western Russia and involved in the supply of logs to Finland. Since its inception, development of RSFC has been closely allied to the PEFC framework.

The other initiative, the Russian National Council for Forest Certification (RNCFC) is supported by the Russian Ministry for Natural Resources and the World Bank. Until recently, development of this framework has been more oriented towards the World Bank's Questionnaire for Assessment of Forest Certification (QACC) initiative and has been more inclined to develop standards in line with the FSC framework.

According to the PEFC Secretary General, many stakeholders active in Russia had asked PEFC to act as an a mediator to bring the two Russian forest certification initiatives together. The agreement to come together for purposes of PEFC membership followed numerous meetings with both councils and the PEFC.

1.1.5 Certification of non-wood forest products

PEFC Council members have decided to create a new option for Non Wood Forest Products (NWFP) as part of PEFC's International Chain of Custody standard. A new PEFC guide will allow companies to market products such as berries and mushrooms derived from PEFC certified forests using the PEFC logo. The NWFP guide is available as a new Appendix 8 to PEFC's Chain of Custody standard.

1.1.6 PEFC position papers on indigenous people and phased certification

Two new PEFC Position Papers have been published on "*Tribal and Indigenous people, local people, local communities and forest dependent communities*" and on a "*Phased Approach to Forest Certification*".

The former document emphasises PEFC reliance on intergovernmental processes for SFM (Pan-European, Montreal, ITTO etc) which, it argues, were developed with open, transparent and multi-stakeholder participation. It stresses that these intergovernmental processes include specific requirements on land tenure rights, customary and traditional rights, and the protection of culturally significant sites. Furthermore it claims that the involvement of indigenous people and forest dependent communities in consultation, decision making and implementation, are important elements of PEFC certification. PEFC notes it is the only certification scheme which insists on the development of consensus standards at national level as a pre-condition for certification.

The PEFC document on phased approaches to certification indicates a high degree of scepticism of the value of such approaches. It suggests that the costs and confusion associated with phased approaches may in the long run outweigh the benefits. However PEFC states it could provide a technical solution if there were signs of strong support for a phased approach from key customers (particularly in government procurement policies).

The position papers are available at:

http://www.pefc.org/internet/html/documentation/4_1311_1090.htm

1.1.7 PEFC praised for social criteria

The *Stiftung Soziale Gesellschaft – Nachhaltige Entwicklung*, a Foundation for Social Society - Sustainable Development of the German trade union IG BAU, recently praised PEFC for its social criteria. The foundation tested ten different eco-labels in Germany in the areas of food, cut flowers as well as timber and construction materials. PEFC and FSC both received the same overall ratings and were categorised as “good” on social issues. However PEFC say that their scheme was singled out for special praise for requiring that companies offer training places. According to the foundation, no other certification scheme included this as a requirement. The results of the study will be published in due course. For details on the foundation see www.stiftung-soziale-gesellschaft.de.

1.1.8 German retailers association joins PEFC

BHB, the German DIY Retailers’ Association, joined PEFC Germany at their latest general assembly in July 2006. In his presentation to the general assembly, Frank Michel, Managing Director of BHB, explained that their decision to join was based on PEFC’s fulfilment of the seven European DIY Retail Association (EDRA) criteria for reliable labelling. These criteria are: credibility; transparency; internationally applicable; simplicity; credibility of the control checks; guarantee of credibility through independent inspections which are carried out regularly; and involvement of all stakeholders.

1.2 Forest Stewardship Council

1.2.1 Status and area

After the rapid rate of increase in FSC certified forest area in late 2005 and the first half of 2006 – particularly in Canada and Russia – the pace of certification tailed off in the third quarter of 2006. During the June to September period, the most significant new areas to be added to the list of FSC certified forests were 1.3 million hectares in Canada, 300,000 hectares in Russia, 130,000 hectares in Belarus, and 300,000 hectares in the Congo Republic.

The largest area certified in the third quarter of 2006 is the Spanish Forest in Northeastern Ontario, a Canadian Crown forest managed by Domtar. The Spanish Forest extends to over 1,228,000 hectares with a planned annual allowable harvest of 1,471,000 cubic metres of spruce/pine/fir, aspen, white birch, and white and red pine.

The certification in the Congo Republic – of CIB, part of the European DLH/tt Timber Group of hardwood trading companies - is particularly significant for being the first large scale certification of any forest in the Congo Basin. It may also represent the start of a trend towards greater uptake of FSC certification in tropical African regions. CIB has announced that it will be putting forward a further 1 million hectares of forest land in the Congo Basin for FSC certification during 2007. The Danzer group is also now planning on pursuing FSC certification for their concessions in the Congo Republic. Meanwhile WWF producer groups in Cameroon and Ghana have been expanding this year. The Ghanaian group is now believed to account for around 80% of the country’s remaining forest reserve area.

Elsewhere, there remains significant potential for continuing expansion of FSC certification in Russia and Eastern Europe over the next 12 months. Significant areas of Russian forest are believed to be at various stages of FSC certification, while the Romanian government has made public commitments to achieve FSC certification for all 4 million hectares of state-owned forests (of which 1.1 million hectares are already certified).

The most recent data indicates that 5799 FSC chain of custody certificates had been issued by the end of September 2006, up by around 700 (14%) since the beginning of the year. Much of the growth is still concentrated in Europe, particularly in the UK and Netherlands. However there are also signs of FSC CoC certification making more ground in China and Japan during 2006.

During the third quarter of 2006, the rate of FSC chain of custody certification seems to have come off the pace established earlier in the year. Indeed, if the figures are to be believed, there seems to have been a significant regression in the numbers of CoC certificates issued in the USA (down 38), Brazil (down 22) and Canada (down 76) during this period. But the scale of decline seems too drastic to be explained by anything other than a data failure on the part of FSC.

1.2.2 FSC completes first phase of plantations review

The first phase of the FSC's review of the circumstances in which FSC certification of plantations should be permitted produced several conclusions:

- The FSC system should recognise that the greater a plantations' impacts, the greater the need for prevention, mitigation and compensation measures.
- FSC should work to ensure that social issues receive the same level of attention as environmental and economic issues.
- Responsibility for local stakeholder consultation should rest with forest management and plantation operations.

The Plantations Working Group (PWG) is now drafting a final report including detailed actions for the second, the technical, phase of the Plantations Review. The final report of the PWG has been circulated for public consultation for a period of 60 days starting from 23 October. After the consultation period has closed, the final report of the PWG will be submitted to the FSC Board of Directors for approval at their February 2007 meeting, together with all of the comments received for their consideration.

1.2.3 New controlled wood standards approved

FSC has been refining their controlled wood standards during 2006. The controlled wood standards were originally endorsed by the FSC Board in September 2004 with the objective of allowing FSC certified companies to buy and supply non-FSC certified wood which had been controlled to avoid "Controversial" sources. The following are defined as "controversial" in the FSC standards: illegally harvested wood; wood harvested in violation of traditional and civil rights; wood harvested in forests in which high conservation values are threatened by management activities; wood harvested in forests being converted to plantations or nonforest use; and wood from forests in which genetically modified trees are planted.

During 2005, an FSC technical working group was established to review implementation of the controlled wood standards and to improve the standards' practicality and clarity. Following a series of working group and other stakeholder meetings, new versions of the standards were endorsed by the FSC Board of Directors in October 2006. The new standards comprise the "*FSC Controlled Wood standard for forest management enterprises*" (FSC-STD-30-010) and the "*Standard for company evaluation of FSC Controlled Wood*" (FSC-STD-40-005). These are available online at: http://www.fsc.org/en/about/documents/Docs_cent/2,37

1.2.4 FSC discusses international generic forestry indicators

An idiosyncrasy of the FSC certification framework is that it allows certification according to so-called "generic standards" developed by the certification bodies immediately prior to evaluation. Use of generic standards is allowable in countries where there is currently no FSC endorsed national certification standard. It is believed that around 50-60% of FSC certified forests have been assessed against generic standards rather than endorsed national standards.

Use of generic standards is contrary to ISO norms for certification that require that standards are

developed by consensus through a separate standards-setting body and published in advance. A major problem arising out of the use of “generic standards” is that there is no assurance that the forestry performance requirements established by one FSC-accredited certification body will be the same as those established by another FSC-accredited certification body. This breaks one of the fundamental rules of certification - that the evaluation process should be repeatable producing the same certification outcome irrespective of which accredited certification body is employed.

Now FSC are proposing to get around this problem by developing a single set of “FSC International Generic Indicators”. In effect this would amount to FSC defining a single global forestry standard. The obstacles to such an approach are immense given the huge diversity of forest types, social, economic and environmental conditions that would have to be accommodated. Nevertheless, an FSC discussion paper has been issued proposing that:

- FSC should aim to generate a single set of international generic indicators applicable to all forest types and regions.
- FSC should aim to allow the minimum possible scope for variation by certification bodies at the level of indicators.
- If technically possible, generic indicators should be fixed at the international level, with no variation being permitted by certification bodies at the national level.
- In order to achieve this objective whilst optimizing national stakeholder support and necessary technical flexibility, FSC should draft indicators that are internationally applicable, whilst allowing variation to take place at the level of 'means of verification'.
- In the event that it is technically not feasible to have only one set of generic international indicators, FSC could develop alternative generic indicators, applicable for the evaluation of plantations and for 'natural' or 'semi-natural' forests in each of the boreal, temperate, and tropical zones. Variations would only be proposed where there is a clear technical argument for such variation.

The paper also elaborates on a process for the involvement of FSC members, national initiatives, regional offices, certifications bodies and other stakeholders in the development of the proposed set of generic indicators. The proposed process is divided into two phases: an initial technical phase, followed by a longer consultative and testing phase.

The public commentary period for the proposal ended on 31 October. The FSC International Center is expected to circulate a final proposal on the procedures for developing generic standards in due course.

Consultants comment:

The aim of this FSC proposal seems to be perpetuate one poor certification practice (use of standards developed by certification bodies) through the introduction of another poor practice (attempt to develop a single standard in a hugely diverse sector). Given the difficulties of achieving even a national consensus on appropriate indicators for forest certification, it seems far-fetched to suggest that it may be possible to develop a meaningful and credible global consensus. A more satisfactory approach would simply be to disallow the use of generic standards and require that certification is undertaken against FSC endorsed national and regional standards. Apart from being more practical, this approach would also be more in line with ISO norms for certification. However, given the heavy dependence of FSC on generic standards, this approach may be politically unacceptable within the FSC.

1.2.5 Draft multi-site Chain of Custody standards released

Two new draft Chain of Custody standards for the certification and evaluation of multi-site organisations (FSC-STD-40-003 and FSC-STD-20-011) were released for pilot testing and public consultation on 1 September. Multi-site Chain of Custody certification has been developed to facilitate certification for larger companies that have a number of production facilities, warehouses or sales agencies (so-called "sites"), at which fundamentally the same functions, methods or procedures are carried out. Multi-site certification allows certification bodies to evaluate those companies based on samples. This recognizes the existence of common, centrally administered

and monitored control and reporting systems. This, reduces certification costs by avoiding duplication of inspection efforts. The standards replace the FSC policy "Guidelines for Sampling of Multi-site Organizations for Chain of Custody Certification" (FSC-POL-40-003). The documents are available for download at the FSC website.

1.2.6 FSC approve project certification standard

A new FSC standard for the certification of projects was approved by the FSC Board of Directors in July. The standard makes it possible to promote the use of FSC-certified wood and products without requiring every craftsman or sub-contractor involved in a building project to be individually chain of custody certified. The standard's range of application is wide: from buildings, to event infrastructure, sailboats, even airports. Full Project Certification verifies that over 50% of the timber used is FSC-certified and the rest is FSC controlled. The project is independently verified so that the building continues the FSC Chain of Custody certification beyond the timber suppliers to the actual building site. The FSC logo can be used by the client to promote their responsible timber use. At the end of October, BM Trada announced that the UK company Hollybrook Homes is well under way to become the first project to be certified according to the standard with a 73-unit timber frame development at Ilford Wharf, Essex.

1.2.7 FSC and the ISEAL Alliance

With governments and other organisations like the World Bank now taking a greater interest in the relative technical merits of different certification schemes, it is has become important for these schemes to be able to provide evidence of conformance with international norms for standards-setting and accreditation. Schemes are now being scrutinised to demonstrate their conformance to international standards such as ISO Guide 59 (for standards-setting bodies), ISO Guide 65 (for certification bodies involved in product labelling) and ISO 17011 (for bodies responsible for accrediting certifiers).

As FSC has evolved outside the ISO framework, this new focus on conformance to international norms has presented something of a challenge. FSC's decision-making processes are highly centralised and top-down with FSC's international organisation making most key decisions and organising participation in standards-setting. This has come into direct conflict with ISO's more bottom up procedures in which decision making and participation is driven more by national standards-setting bodies and accreditation bodies. Because of this organisational structure, FSC has found that it simply cannot conform to many of the elements of ISO Guide 59 which envisages an international framework in which certification standards are set by national standards-setting bodies. In addition, FSC has not been able to participate in the International Accreditation Forum (IAF), an organisation which provides a comprehensive framework for peer review and mutual recognition of accreditation bodies and confirms that these conform to ISO17011.

FSC's strategy to overcome this problem has been to join together with a range of other organisations involved in social and environmental certification in order to develop a rival set of international norms and standards. The ISEAL Alliance was formed in 2000 with the objective of peer review of members and to represent their common interests in governmental and inter-governmental forums. In addition to FSC, current members of the ISEAL Alliance include the Fairtrade Labelling Organizations (FLO), the International Federation of Organic Agriculture Movements (IFOAM), and the Marine Stewardship Council (MSC).

Over the last 5 years, the ISEAL Alliance has developed membership criteria requiring that accreditation body members (which include the FSC) must fully conform to ISO17011 within two years of joining the Alliance. It has also developed a Code of Good Practice for Setting Social and Environmental Standards which it uses to assess members' standards-setting procedures. This code draws on ISO Guide 59 but deviates from it in some significant respects. For example it legitimises the use of so called "generic standards" which are international standards that have been "locally adapted" by certification bodies. Over 50% of FSC forest area is certified against such standards. The use of generic standards has no place in the ISO framework which requires

that standards are sufficiently precise so that there is no need for “adaptation” by certification bodies.

From the perspective of diverting the focus away from FSC’s inability to meet certain ISO norms for certification, FSC’s strategy has been remarkably successful. The World Bank’s new Forest Certification Assessment Guide actually goes so far as to require that standards-setting bodies are members of the ISEAL Alliance, whereas conformance to ISO Guide 59 is not treated as a mandatory requirement. The UK government’s procurement policy doesn’t go quite so far but still suggests that the ISEAL Code should be regarded as equivalent to ISO Guide 59. On accreditation, both the World Bank and the UK government place membership of the ISEAL Alliance on an equal footing with membership of the IAF.

This is all quite remarkable given the restricted nature of the ISEAL Alliance membership. At present, the ISEAL Alliance has only 8 members, including FSC and the Rainforest Alliance (which operates Smartwood, an FSC accredited certifier). The fact that two out of the eight organisations that drew up the ISEAL Code are FSC-related should raise questions over the appropriateness of this code as a means of assessing forest certification schemes. Apart from smacking of “self-assessment”, the limited range of members of ISEAL reduces the value of ISEAL’s peer review process. When it comes to ISO17011, there are only four members of ISEAL with any experience of accreditation, none of which can yet show they are in conformance to this standard. Within the IAF process, accreditation bodies conformance to ISO 17011 is subject to peer review by 47 national accreditation bodies, of which 36 have already demonstrated their conformance to the ISO standard.

The level of recognition given to ISEAL seems all the more remarkable following even a brief review of ISEAL procedures. At present, the ISEAL Alliance only provides information on its procedures for peer review and evaluation of members on request. The documentation provided is still at the working draft phase. Unlike the IAF, there are no detailed qualification criteria established for peer reviewers and external evaluators. And information on the ISEAL website does not make clear the status of individual members with respect to peer evaluations against either the ISEAL Code or the ISO17011. Further contacts with the ISEAL Alliance Secretariat suggest that no member of the Alliance has yet been subject to the full assessment process against ISO17011.

According to an item in the FSC News and Notes, FSC became the first ISEAL member to be assessed as fully conformant to the ISEAL Code of Good Practice for Setting Social and Environmental Standards in July of this year. But no details of the ISEAL Alliance evaluation process have been made available.

1.2.8 FSC makes progress in Australia

For many years, the Australian domestic market has remained largely indifferent to the certification movement. However FSC and the WWF are reporting signs that this may be changing.

Over the past 12 months the number of FSC chain of custody certificates in Australia has grown three-fold, albeit from a small base. Initial interest came from the paper and printing industry. This year, Australian-based international companies such as BHP Billiton and Fosters have printed their annual reports on FSC certified paper using certified printers. Australia's only office paper producer has now been awarded chain of custody certification. More recently, there has been growing interest in FSC from companies offering products to the building industry, particularly joinery products. The demand is fuelled both by the private sector and local government.

On 16 October, the WWF announced the formation of Australian branch of Global Forest and Trade network. Six companies have so far signed up to the initiative including forest products companies ITC Limited and Timbercorp which have already secured FSC certification for the bulk of their plantations. Other members are timber importer and wholesaler Simmonds Lumber, print management business Complete Print Solutions, commercial printer Complete Colour Printing and

integrated communications consultancy UP&UP Creative.

In November the process to develop an Australian FSC national forest management standard will begin with a two day workshop. The process is being supported through a new FSC Australia secretariat established with local support.

FSC Australia is helping the process along. It recently held seminars in Melbourne and Sydney which FSC indicate were attended by a significant number of the country's most prominent architects and building companies. One of these events was hosted by Bovis Lend Lease, a major international building and construction company that has made commitments to sourcing FSC products.

However there remains strong resistance to FSC from large sections of the Australian forest industry. Opening a recent forest growers' conference, the Federal Forestry Minister spent more than half of his speech attacking the certification organisation.

1.2.9 FSC: "MTCC is not compatible"

FSC issued a statement in July regarding their relationship with the Malaysian Timber Certification Council. The statement was prompted by a visit of the Malaysian Minister for Plantations and representatives of the Malaysian Timber Certification Council (MTCC) to Europe. According to the statement *"while FSC recognize the efforts that the MTCC has made to adapt its systems more closely to international FSC requirements it would like to clarify that at this stage the MTCC standard and scheme are not considered compatible or in near compliance with FSC, and no claim can be made as such"*.

FSC note that to date neither the National Working Group in Malaysia nor the MTCC standards (Malaysian Criteria & Indicators for Forest Management Certification) have been submitted for accreditation to the FSC. Furthermore, *"especially with regards to social and environmental performance FSC and MTCC have chosen very different approaches. MTCC considers land ownership and tenure rights for indigenous peoples to be outside the mandates of forest certification. In contrast, recognition of such rights, even in the absence of formal settlement, is a fundamental requirement in FSC Principles & Criteria and an integral part of forest management certification under FSC"*.

FSC states that it will continue to work with stakeholder groups in Malaysia in the formation of FSC working groups and the development of a national forest stewardship standard that can be accredited by FSC. Therefore FSC welcomes the recent developments towards a FSC National Working Group - known under the name of Pro-Tem in Malaysia. Pro-Tem is an initiative by WWF Malaysia and a range of Malaysian stakeholders.

1.2.10 FSC accredits national standard for the Czech Republic

On 30 August, the FSC Board of Directors' Standard Committee accredited the National FSC Standard for the Czech Republic. The standard is harmonised with indicators of national FSC standards in neighboring Central European countries. The newly accredited standard has been field tested on four forest enterprises with various natural and socio-economic conditions around the country. The state owned company Czech State Forests has announced that it will pilot test the new standard on part of their forest estate. Czech State Forests manages around 60% (1,3 mil ha) of the nation's forests, which comprise mostly mixed temperate forests with dominant tree species Norwegian spruce, pine, beech, oak and larch. At present only 22,000 hectares of Czech forest are FSC certified, of which 10,000 hectares are publicly owned. 1.9 million hectares of privately owned forest are PEFC certified, comprising around 750 smaller owners through a single regional certificate. The signs are that the Czech Republic is following in the footsteps of many other European countries where there is a clear split between large state enterprises pursuing FSC certification and smaller private owners pursuing PEFC certification. The National Forest Stewardship Standard for the Czech Republic is available on

www.czechfsc.cz/ang/index.php?p=czech_FSC_standard.

1.2.11 Indonesian teak plantations seek recertification

Back in October 2001, the FSC-accredited Smartwood certification program suspended its certification of the government-owned Perhutani teak plantations on the Indonesian island of Java. On announcing the suspension, Smartwood said it believed that "the long-term sustainability of the plantation resources is at a serious risk." Perhutani was blamed for failing to crack down on illegal logging and for not making enough effort to reduce conflict with local people. The suspension contributed to a crisis in the supply of FSC certified wood to the South East Asian garden furniture manufacturing sector.

Now there are signs that the Perhutani teak plantations may be about to recover their certification status. With assistance from the Tropical Forest Trust, five forest districts run by Perhutani are reported to be close to achieving certification. Efforts to regain certification have included intensified monitoring of the environmental impact of logging, the identification and implementation of special measures for 'High Conservation Value Forest', improved soil conservation and water quality management measures, training of local foresters to help combat illegal logging, and resolving disagreements with local communities over land rights. Initial 'Social Impact Assessments' are being conducted among communities to analyse how forest operations affect people living there. The TracElite satellite and barcode wood tracking technology is also being trialled to reduce opportunities to profit from illegal logging. The Soil Association has been contracted to carry out full FSC assessments at two forest districts in the coming months.

1.2.12 Leroy Merlin pursue FSC certification for garden furniture and flooring

Leroy Merlin, the French-based DIY and lifestyle specialist, joined the Tropical Forest Trust in September to help develop their supply of FSC certified garden furniture and flooring. This will involve linking Leroy Merlin to TFT-supported forest projects progressing towards FSC certification, and helping them to develop and monitor robust systems to verify the origin of wood going into their products and to exclude any wood from unknown sources. The programme will be phased focusing on garden furniture and then decking and flooring products. Leroy Merlin has stores in France, Portugal, Spain, Italy, Poland, Greece, Russia, China and Brazil, and an annual turnover of 6.5 billion Euros in 2005.

1.2.13 M&S become first UK high street retailer to achieve FSC certification

Marks & Spencer became the first UK high street retailer to achieve chain of custody certification in the summer of this year. The scope of their certificate covers the purchase of FSC mixed sources and FSC recycled paper and board for the production of marketing literature and point of sale materials. While retailers often require that their suppliers implement chain of custody certification so that they can stock FSC certified products, few take this step themselves. But in this instance M&S had to undergo chain of custody certification so that they could label their own mail outs to Loyalty Card holders as FSC certified. Quarterly mail outs to over 1 million M&S card holders will be made entirely from FSC paper and will carry the FSC label. This follows on from another first achieved by M&S this spring when they moved production of their sandwich boxes over to FSC certified stock. From February, anyone buying one of the millions of sandwiches sold at M&S every year and looking at the packaging would find the FSC logo.

1.2.14 World Rainforest Movement criticises FSC

The World Rainforest Movement (WRM) has published a critique of an area of forest in Laos certified to FSC standards by Smartwood which, it claims, is producing timber that is illegal under the Lao Forestry Law. WRM suggests that the FSC certification is the result of a decade of aid starting in 1996 and involving millions of dollars provided by the Finnish Government, World Bank and WWF through the SUFORD project. The project has involved efforts to set up a series of Village Forestry Associations practicing community forestry in Savannakhet and Khammouane

provinces in Laos. SmartWood first assessed the forest management in May 2003 and finally issued certificates in December 2005 and January 2006 for 49,000 hectares of forest managed by several villages in the region.

WRM's critique is based on a leaked consultant's report from the World Bank-SUFORD project documenting the findings of a visit by a team from the Lao Forestry Department and a consultant to the SUFORD project, Tomas Jonsson. The team visited Thapanthong district in Savannakhet province between March and May 2006. According to WRM the team found that forest management plans were disorganised, based on inaccurate map information, and only partially understood by local forestry staff, loggers and villagers. Logging was not carried out in accordance with logging plans due to inadequate marking of trees and the fact that logging crews did not carry logging maps. Furthermore, more trees were logged than in the management plans because the province issued logging quotas over and above the harvestable volumes as per approved logging plans.

WRM suggest that the team concluded that logging is not controlled by the management plans but is driven by the demand from an ever increasing number of local sawmills. Logging plans are interpreted "as giving the right to cut a certain volume instead of specifically permitting the selected and marked trees to be removed," according to Jonsson's report. The report also found that after harvesting, logs were not marked as per requirement and that chain of custody was broken. WRM say that the control team also found evidence of illegal logging in areas where management plans were non-existent or not yet approved. WRM suggest that "without adequate timber marking, there is no way of knowing whether timber from these or any other illegal operations is being passed off as FSC certified timber."

The certification is apparently subject to a Corrective Action Request issued by SmartWood which states that "*By the end of Year 1, all logs must contain clear and lasting marks (e.g. paint or chops) to identify the village, strip, and log number.*" But according to WRM, "*it is illegal under the Lao Forestry Law to move logs that are not appropriately marked. Before SmartWood's condition is met, therefore, FSC certified timber from Savannakhet is illegal under Lao law*".

Smartwood issued a response to the critique pointing out that the leaked report quoted by the WRM was a draft internal auditing document prepared 4 months after the issuance of the certificate that was intended to assist in identifying exactly what was needed to prepare for the FSC audit later in the year. Smartwood took up the issue with the report's author and SUFORD to determine each specific site visited and the extent of problems with log tracking at each, and whether or not those villages are actually members of the group covered by the FSC certification (some Laotian village forests SUFORD is involved with are not yet actually under the scope of the FSC certificate). Smartwood followed up by issuing a Major Corrective Action request, thereby effectively suspending the certification. This suspension is subject to a further field audit of the community forestry operations in October 2006.

Smartwood comment that "*The result of the leak, and the WRM author's interpretation of it, will be an expedited audit process that does not allow the communities the allotted time for improvement as per the original [Correction Action Request], will incur extra costs to village forestry operations with limited resources, and also puts the reputation of local villagers at risk by implying they are illegal loggers*".

1.2.15 More Swiss recognise FSC label

Surveys undertaken in recent years in Switzerland indicate a significant rise in public recognition of the FSC logo and in the trade turnover of FSC certified products. A public opinion poll by Link Institute commissioned by WWF indicates that 57% of the Swiss population now recognize the FSC logo. The survey is based on 504 online interviews conducted in the German and French speaking parts of Switzerland. The 57% figure represents the proportion that responded positively to the question "There is a label for wood products with the name FSC - do you know it?" The unprompted (spontaneous) recognition based on responses to the question "Which quality and eco-labels for wood products do you know?" reached 18%. FSC suggest that rising recognition in

Switzerland is due to the rising presence of the FSC label in stores and supermarkets. The total turnover from sales of FSC products in 2005 is estimated at over 150 Million Swiss Franks. In 2005, the 20 members of the Swiss WWF Wood Group had a combined turnover in FSC products of 98 Million Swiss Franks. Coop, Switzerland's second largest retailer sold FSC products with a total value of 44 Million Swiss Franks during the year. Coop's sales of FSC certified products increased by 32% between 2004 and 2005.

1.2.16 FSC supplies to Netherlands rise rapidly

FSC Netherlands is unusual amongst FSC National Initiatives for the very heavy emphasis placed on marketing, playing an equivalent role to the WWF Buyers Groups in other countries. FSC Netherlands has set a target to ensure that 25% of the timber available on the Dutch market derives from FSC-certified forests by 2008. As part of their market development program, FSC Netherlands has commissioned AIDEnvironment to research the current availability of FSC-timber on the Dutch market. The study was funded by DOEN Foundation and the Dutch Ministry of Housing, Spatial Planning and the Environment. A previous study by AIDEnvironment in 2003 demonstrated that the availability of FSC-timber on the Dutch market was 10.5% of the total supply of timber for construction and carpentry. According to the most recent study in 2005 the market share of FSC timber for construction and carpentry had risen to 13% and represented 900,800 m³ on a roundwood equivalent basis. AIDEnvironment forecast that the net timber volume of FSC certified timber available on the Dutch market will increase to 15% in 2006 and 16.9% in 2007, corresponding to 1,092,700 m³ rwe and 1,267,000 m³ respectively. A significant proportion derives from the Netherlands domestic forests. Around 145,700 hectares (about 40%) of Dutch forests were FSC-certified by the end of 2005 from which around 354,200 m³ of certified industrial roundwood were harvested.

1.2.17 FSC-watch.org launched

A new website has been launched at www.fsc-watch.org which provides external scrutiny of the FSC scheme. According to the site it has been launched by "a group of people, FSC supporters and members among them, who are very concerned about the constant and serious erosion of the FSC's reliability and thus credibility." The group includes Simon Counsell, one of the Founder Members of the FSC; Hermann Edelmann, working for a long term FSC member organisation; and Chris Lang, who has looked critically at several FSC certifications in Thailand, Laos, Brazil, USA, New Zealand, South Africa and Uganda - finding serious problems in each case. The organisers come from the green end of the spectrum, with many of their comments reflecting they have an even more cynical view of the PEFC scheme. A brief review of the site suggests it contains a forthright debate on the certification movement.

1.3 National forest certification schemes in South America

A recent seminar in Argentina provides an insight into the development of national forest certification schemes in South American wood supplying countries. Sixty representatives of technological, producer, scientific and social organizations from Argentina, Brazil and Uruguay participated in the 1st MERCOSUR region seminar on forest certification at the end of June. The event took place at IRAM, the Argentinean Institute for Standardization and Certification, with participating experts from the three countries.

IRAM is currently developing technical standards that will constitute the basis for an Argentinean Forest Certification system. This work is within the Sustainable Forest Management Programme, which is a part of the Project "*Access to the Market through the Technical Standardization*", financed by the Inter-American Development Bank, IDB, through the Multilateral Investment Fund, MIF. The aim of the Argentinean System is to eventually obtain mutual recognition through PEFC. The present seminar formed part of the government project. It provided an opportunity for participants to report on the current status of national forest certification systems and was designed to kick-start the process of harmonisation of certification standards at various levels in the Mercosur region.

Carlos Feiguin, a representative, of IRAM introduced the National Forest Certification System of Argentina. He said that its objectives are to provide a management tool that fosters good forest management in plantations as well as in native forests. It will cover both the certification of forest management unit and chain of custody. The work is being undertaken in collaboration with NGOs, state bodies, universities, companies and guest technicians through a transparent process based on consensus, where all the actors involved in the sector are invited to participate. The system as a whole, aims at the certification of small associated producers and medium and large industrial forest companies.

Natalia Marius, Technical Secretary of the UNIT Forest Management Programme from Uruguay reported on "*UNIT Standards on sustainable forest management – Advancing towards a National Forest Certification System*". UNIT is Uruguay's national standardising agency. She stated that the next step towards developing a National Forest Certification system in Uruguay would involve the establishment of a National Forest Certification Committee with the support of all the sectors and with the aim of pursuing PEFC recognition.

The Brazilian experience in this area was presented by a representative of CERFLOR, the Brazilian Forest Certification Program developed under INMETRO, Brazil's National Institute of Metrology, Standardization and Industrial Quality. This scheme is already endorsed by PEFC and has certified around 750,000 hectares distributed between 6 ownerships. The entire area is plantation and is dominated by the estates of Aracruz and Japan-Brazil Paper Pulp Resources Development Co.Ltd.

1.3 Yale University study on certification in developing and transition countries

An extensive report issued by Yale University aims to assess the effectiveness of forest certification programs – focusing largely on FSC - in promoting sustainable forestry in developing and transition countries. The report "Confronting Sustainability: Forest Certification in Developing and Transitioning Countries," is edited by Benjamin Cashore (Yale University), Fred Gale (University of Tasmania, Australia), Errol Meidinger (SUNY Buffalo) and Deanna Newsom (Rainforest Alliance). It recognizes achievements and future potential of certification and also identifies the challenges for institutionalizing certification throughout the wood supply chain.

The analysis is based on comparative, historical analysis in 16 countries including many case studies. Among other findings it suggests that existing interest and commitments from North American and European markets have not been strong enough to influence forest management choices significantly in some of the world's most environmentally sensitive forests. But the publication also acknowledges achievements of third party certification. It focuses heavily on the achievements of FSC emphasizing the role played by FSC certification to increase the size and inclusiveness of the forest policy network, and rebalancing the power relations to involve environmental, community and indigenous peoples' interests, as well as the business industry.

The report suggests that "*by turning to the market place, [certification] sidesteps governmental arenas many criticize as inadequate, as well as gridlocked international negotiations that have consistently failed to achieve a binding global forest convention. While sometimes described as a narrow "policy instrument," forest certification has turned out to be considerably more, stimulating an intensified global dialogue on how to implement sustainable forest management, and fostering institutional dynamism at the international, national and local levels.*"

The tone of the report is largely antagonistic to non-FSC certification schemes, presenting these primarily as attempts to frustrate the more progressive work of FSC. For example the section on "support for certification" really only considers "support for FSC". With regard to industry, it states that some groups have endorsed FSC, and then goes on to suggest that "*despite such endorsement, however, large industry in a number of other jurisdictions has vigorously opposed FSC and worked tirelessly through its industry associations (and at times with governments) to develop alternative schemes.*" A significant

weakness of the report is that there is no balanced and objective appraisal of the contribution that non-FSC schemes may make to improve forestry practices in developing and transitional countries.

The report suggests that of all developing and transitional regions, the highest level of support for FSC-style certification is in Eastern Europe and Russia, noting that the major motivating factor derives from state bodies “defending state management against possible privatization”. The report suggests that in contrast to Eastern Europe, forest certification is much less institutionalized in other regions, perhaps most especially in Africa. In Gabon, Uganda, and Zambia, forest certification has a tentative status. The report suggests that FSC-style certification has received some support in Latin America and Asia. It is more strongly institutionalized in Latin America, with Bolivia standing out as a country that has invested heavily in certification to support sustainable forest management in conjunction with its New Forest Law, introduced in 1996.

Through a number of case studies, the publication identifies environmental improvements to forest management practices from certification, again focusing on FSC. The report suggests that improvements in community and workers’ rights are often and widely demonstrated in case studies through better pay and conditions, training opportunities, and community infrastructure development; and across all regions, particularly in Uganda, Bolivia, Guatemala and Estonia.

The publication commonly identifies improved market access as the major economic advantage from certification. Other benefits include more stable contracts, enhanced public image and better prices. The most important macroeconomic benefit identified by the authors is to improve tax collection. An increased level of market transparency is providing compliance with contracts. This is helping to combat illegal logging, particularly evident in case studies in Estonia and other Baltic countries, where all public forests are FSC certified. Significant obstacles ahead include market demand, illegal logging, foresters’ attitudes, community capacity, certification costs, and closed forest policy networks.

The report notes that community support for certification has tended to wane after receiving FSC certification—with communities facing a range of problems in maintaining their certificates that result from high costs, low economic benefits, inadequate integration into global production chains and problematic management arrangements.

The full report is available at:

http://environment.yale.edu/doc/2538/confronting_sustainability_forest/

1.4 New systems developed to replace weak paper-based CoC

In recent years significant problems have been identified in paper-based chain of custody systems which continue to form the basis of most forest product labelling schemes. The problems have been particularly pronounced in supply chains for garden furniture from South East Asia. According to a report on the website of the Tropical Forest Trust (TFT), which specialises in assisting organisations in developing countries to achieve FSC certification, *“our field experience in factories in SE Asia has shown us that [traditional paper based Chain of Custody (CoC) systems] were easily manipulated. Third party auditors will often pick up non compliances but even FSC systems do not necessarily require accurate tracking of what wood is and is not used, and the problems are typically picked up after the event. The real problem is that an unscrupulous and creative supplier who really wants to cheat the system can do so, for some time at least, before being detected. Auditors are therefore being asked to check systems that are inherently fallible. Their contractual relationships usually mean that they aren’t paid enough to be in factories often enough and, most critically during the production phase, to really check what is happening.”*

In response to these concerns, the TFT and its partner Helveta have developed a much more stringent approach to chain of custody. In May 2003, TFT decided to develop the TracElite – Always On™ wood origin verification system after 3rd party auditors in SE Asia had failed to adequately verify that legal and FSC wood had been used in furniture manufactured for TFT members. TFT realized that relying on paper based systems *“exposes our members to serious risk – their products might contain illegal wood or they may indeed be falsely labeled with the FSC*

logo”.

To overcome this problem, the TracElite system is designed to constantly check what wood is going into each product in real time - before and during production. It was built by Helveta, a technology development company, working closely with TFT's SE Asian field staff. It's a timber tracking system that delivers full traceability; automated COC and Wood Origin Control (WOC) monitoring; and remote audit, verification and reporting via the internet.

The system was field tested during 2005 by PT Daisy Timber, one of TFT's Indonesian (East Kalimantan) partner forest projects. Logs from PT Daisy are now tracked from stump to log landing and onto the log pond where they are loaded onto a barge for sale to another TFT member, PT Tanjung Timberindo Industries based in Medan, Sumatra. Once the logs reach Medan, they are scanned, data is uploaded via the internet and their attributes are checked against the base data set to ensure all is in order. When a potential non-compliance is identified, TracElite staff, stakeholders and auditors are automatically notified via SMS or email. The intention of TracElite is to ensure that if issues are identified, they can be remedied quickly and most critically before products containing wood of unknown origin are manufactured, packaged and shipped. TracElite is designed to work in-forest, in-factory and in remote and challenging environments. Systems like TracElite are now being developed for wider application, for example for legality verification in tropical developing countries.

2. International Agreements and institutions

2.1 European Commission FLEGT

A key component of the EU's Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan involves development of Voluntary Partnership Agreements (VPAs) with countries where illegal logging is perceived to be a problem. EU imports from countries that sign VPAs will be subject to mandatory "legality licensing". According to recent statements by the European Commission, in several countries informal consultations have been underway for some time considering the possible elements of VPAs. In many countries these consultations are still at the "awareness raising stage". However, in Ghana, Cameroon, Indonesia, and Malaysia consultations have progressed towards more technical issues (definition of legality, identifying gaps in the legislation, consideration of CoC procedures for legality licensing). In September 2006, Malaysia became the first country to announce that it would move on to formal negotiation of a VPA. Ghana and Cameroon are likely to move to formal negotiations before the end of 2007. Indonesia is expected to follow shortly after.

The announcement that Malaysia would become the first country to begin formal negotiations towards a VPA with the EU prompted an immediate negative reaction from some environmental groups. The UK-based Environmental Investigation Agency (EIA) and the Indonesian-based NGO Telapak said that the efforts to develop a VPA between Malaysia and the EU was "naive, baseless, and would not be a success, especially as Malaysia is a key player in the global business of illegally obtained timber". The EIA/Telapak said that their investigations "showed how Indonesia's timber had been stolen and cleaned in Malaysia, and for sale on the international market, including the EU." The two NGOs said they believed that the agreement would not be effective as it would only be a voluntary agreement without binding measures to control the smuggling of illegal timber to the EU market.

2.2 GLOBE Illegal logging dialogue

A new G8 Illegal Logging Dialogue was launched in September to be facilitated by GLOBE (Global Legislators Organisation for a Balanced Environment – www.globeinternational.org) and Com+, Alliance of Communicators for Sustainable Development (www.complusalliance.org) with the support of the World Bank, the UK Department for International Development and a number of forest sector companies.

The Dialogue launched at the World Bank Annual Meetings in Singapore aims to draw together legislators from the G8, China, India and other key timber producing countries including Indonesia, Malaysia, Ghana, Cameroon, Gabon, Republic of Congo, Democratic Republic of Congo, Brazil, and Peru with senior timber industry representatives, Civil Society Organisations (CSOs) and opinion leaders. The aim specific aim is to agree on a practical plan of action to address illegal logging - focusing on the introduction of financial transparency, support for progressive companies committed to sustainable production and the development of a discerning market for legal and sustainable timber in the EU & G8 markets. The Dialogue will present a set of recommendations to the G8 by the time of the Japanese G8 Presidency in 2008. These recommendations will be developed outside of formal international discussions and with the support of progressive industry and NGOs.

The first meeting of the Advisory Board to the Dialogue was held at the House of Commons in London on 13 November. The aim of the meeting was to draw up terms of reference for four Working Groups on: procurement policies; forest sector transparency; legislative options; and financial support for SFM. A report on this meeting by the T&E consultant is attached.

2.3 World Bank

2.3.1 Certification assessment guide

The WWF/World Bank alliance has produced a Forest Certification Assessment Guide. The World Bank now requires certification for investments in commercial harvesting. The guide is designed to inform the bank of which certification systems are credible. The guide is also being used by members of the WWF Global Forest and Trade Network as the basis for their acceptance of forest certification systems.

The Guide, which has been developed from Alliance Questionnaire for the Assessment of Credible Certification (QACC), structures requirements for certification into a series of Criteria. Each criterion is further elaborated with a series of more detailed requirements and guidance notes.

To some extent the requirements mirror those developed through other processes, for example the UK and Dutch government procurement policies, the CEPI Matrix, PEFC and the International Forest Industry Roundtable. Certification bodies must conform to ISO Guides 62, 65, or 66 and accreditation bodies to ISO17011.

However there are controversial aspects, perhaps the most significant being a requirement that forest certification standards-setting bodies must be a member of the ISEAL Alliance and conform to the ISEAL Code of Good Practice on Standards-setting. There is no recognition of ISO standards-setting procedures. Since the FSC is the only forest certification body that is a member of ISEAL and that claims conformance to the code, this requirement effectively means that only FSC is currently recognised by the World Bank/WWF Alliance. The requirements for the contents of forest certification standards also closely follow the structure of the FSC. The guide gives equal recognition to the IAF and ISEAL Alliance procedures for assessing accreditation bodies

The full version of the Forest Certification Assessment Guide can be found at <http://www.worldwildlife.org/alliance/pdfs/fcag.pdf>.

2.3.2 New lending requirements specify certification

Following a review of its safeguard lending policies, the International Finance Corporation (IFC) has developed a new set of performance standards covering the social and environmental impacts of funded projects. The IFC is the arm of the World Bank Group responsible for private-sector lending. Performance Standard 6, relating to sustainable natural resource management, requires clients involved in natural forest harvesting or plantation development to have their resources independently certified, or "*to develop and adhere to a time-bound, phased action plan for achieving such certification*".

2.3.3 New report on illegal logging in developing countries

The World Bank has published *Strengthening Forest Law Enforcement and Governance - Addressing a Systemic Constraint to Sustainable Development*, a report which estimates the effects of illegal logging in developing countries. The report estimates that in developing countries, illegal logging of public lands alone causes estimated losses in assets and revenue in excess of \$10 billion a year. A further \$5 billion in revenue is lost each year through tax evasion and loss of royalties on legal logging. The report estimates illegal logging rates as a percentage of total production in 17 countries. It claims that about two-thirds of those countries have illegal logging rates of at least 50 percent – and some are much higher: Indonesia - 70-80%; Papua New Guinea (PNG) – 70%; Bolivia - 80%; and Cambodia - 90%.

Immediately some World Bank estimates of illegal logging came under scrutiny. ITS Global, an Australian consultancy firm with clients in PNG, suggests that a review of documents referenced in the report with respect to the claim of 70% illegal wood supply in PNG failed to find any substantiating evidence. ITS Global say that follow-up communication with the World Bank revealed that no profiling of PNG forestry was undertaken. ITS Global also criticise the report for failing to provide a working definition of illegal logging despite admitting that “different stakeholder groups use different definitions to promote their agenda”.

A full version of the report can be found at:

http://siteresources.worldbank.org/INTFORESTS/Resources/WB_Rpt_36638_Forest_Law.pdf

2.4 CITES discuss mahogany and ramin

The Standing Committee of the Convention on International Trade in Endangered Species (CITES) considered the trade in mahogany and ramin at their meeting held in Geneva during October. Both species are listed on CITES Appendix II which means international trade may only be authorized by the granting of an export permit or re-export certificate. Authorisation is dependent on the relevant authorities in the exporting country being satisfied that trade will not be detrimental to the survival of the species in the wild.

The CITES Secretariat, with the backing of some signatory countries together with Defenders of Wildlife and other NGOs, suggested that parties should no longer authorize imports of mahogany from Peru. This was in light of concerns regarding the implementation of the CITES listing of mahogany in Peru which is now by far the largest exporter of the species. The Peruvian government responded by emphasizing their commitment to fully implement the Convention's provisions and to develop a Bigleaf Mahogany Action Plan. Peru's efforts to avoid a trade suspension were supported by Malaysia and Brazil, with Malaysia noting that parties should have an opportunity to demonstrate compliance first.

The US, supported by the EU, suggested the Standing Committee identify specific actions that Peru must take by before their next meeting. If positive action is not taken by then, the Standing Committee should recommend a trade ban to the CITES Conference of the Parties. In the meantime, the Standing Committee requested the CITES Secretariat to visit Peru to review progress and report to their next meeting.

The meeting was also informed that the CITES intersessional Bigleaf Mahogany Working Group will be convening an expert meeting in January 2007 to prepare a set of non-detriment finding (NDF) guidelines for mahogany. An NDF is an evaluation of whether the exports of products from a given species will “not be harmful” to the survival of this species.

On ramin, the CITES Secretariat expressed concern about Malaysia's continuing harvesting of this species in the state of Sarawak and the levels of quotas submitted for 2006. Malaysia responded by outlining activities in Sarawak designed to conserve the species, including the establishment of three protected areas to allow its natural regeneration and reduction in logging in peat swamp forest. Malaysia also noted that the quotas for 2007 would be lower. Indonesia, on behalf of the Tri-

National Task Force on Ramin, and Italy, Japan, China, the UK and the US reported on actions taken to address illegal trade in ramin. The UK spoke on research commencing on an effective DNA-based timber identification method, stressing its possible contribution to CITES implementation on timber. The EU urged Malaysia to significantly lower 2007 quotas and proposed a further review at future CITES meetings. Several NGOs emphasized problems in relation to illegal trade in Malaysia, Indonesia and China and urged uplisting ramin to Appendix I and suspending trade with Malaysia in ramin. The Standing Committee agreed that these countries should report on ramin to future meetings and asked Malaysia to submit a report on its 2006 quotas to the CITES Secretariat. The issue would be addressed again at the Standing Committee meeting in 2008.

2.5 Climate change convention

2.5.1 Stern Review

Climate change and its policy responses will have a profound impact on the international forestry sector in the years to come. The issue could have significant impacts at just about every stage of the wood cycle. Changes in global temperature would have a direct effect on growth rates, forest pests and the distribution of natural forests. Policy responses such as carbon trading could profoundly alter the level of funding and investment made available for plantations and sustainable forestry operations in the years ahead. Levels of carbon taxes imposed on wood product manufacturing facilities are likely to rise. And there is significant potential for rising demand for wood products as construction markets shift to more energy efficient products.

The weeks building up to the most recent UN meeting on climate change in November saw the publication of a flurry of reports highlighting the threat of climate change and considering the policy responses.

Perhaps the most influential is the Stern Review, an independent analysis of the economic risks and costs associated with global warming released by the UK government. The Review was commissioned by the UK Chancellor of the Exchequer, reporting to both the Chancellor and to the Prime Minister. The Review argues that the scientific evidence for climate change is now overwhelming, and that global warming creates serious risks and demands an urgent international response.

The Review first examines the evidence on the economic impacts of climate change itself, and explores the economics of stabilising greenhouse gases in the atmosphere. The second half of the Review considers the policy challenges involved in managing the transition to a low-carbon economy and in ensuring that societies can adapt to the consequences of climate change.

The Review calls for international collective action, most notably in creating price signals and markets for carbon, spurring technology research, development and deployment, and promoting adaptation, particularly for developing countries. The Review argues that mitigation - taking strong action to reduce emissions – should be viewed as an investment, a cost incurred now and in the coming few decades to avoid the risks of very severe consequences in the future. The Review claims that if these investments are made wisely, the costs will be manageable, and there will be a wide range of opportunities for growth and development along the way. Furthermore it argues that ignoring climate change will eventually lead to a significant reduction in economic growth.

The Review notes that the current level or stock of greenhouse gases in the atmosphere is equivalent to around 430 parts per million (ppm) of carbon dioxide (CO₂), compared with only 280ppm before the Industrial Revolution. The evidence suggests that these concentrations have already caused the world to warm by more than half a degree Celsius and will lead to at least a further half degree warming over the next few decades.

It goes on *“Even if the annual flow of emissions did not increase beyond today's rate, the stock of greenhouse gases in the atmosphere would reach double pre-industrial levels by 2050 - that is 550ppm CO₂ - and would continue growing thereafter. But the annual flow of emissions is*

accelerating, as fast-growing economies invest in highcarbon infrastructure and as demand for energy and transport increases around the world. The level of 550ppm CO₂ could be reached as early as 2035. At this level there is at least a 77% chance - and perhaps up to a 99% chance, depending on the climate model used - of a global average temperature rise exceeding 2°C”.

The Review suggests that this level of global warming has potential to reduce welfare by an amount equivalent to a reduction in consumption per head of between 5 and 20%. It notes that the impacts of climate change will not be evenly distributed. The poorest countries and people will suffer earliest and most. Climate change may initially have small positive effects for a few developed countries, but longer term the impact is likely to be very damaging even in these countries.

The Review argues strongly in favour of early action. It estimates that the annual costs of stabilisation at 500-550ppm CO₂ (i.e. at the level expected within the next 30 years) to be around 1% of GDP by 2050. This is seen as “significant but manageable” and is much less than the likely costs if no action were to be taken.

The Review includes a chapter focusing on the impact and policy responses to land use change, primarily tropical deforestation, which is estimated to account for around 18% of global carbon emissions. The Review suggests that “*action to prevent further deforestation would be relatively cheap compared with other types of mitigation, if the right policies and institutional structures are put in place*”.

The report suggests that “*policies on deforestation should be shaped and led by the nation where the particular forest stands. But those countries should receive strong help from the international community, which benefits from their actions to reduce deforestation. At a national level, defining property rights to forestland, and determining the rights and responsibilities of landowners, communities and loggers, is key to effective forest management. This should involve local communities, respect informal rights and social structures, work with development goals and reinforce the process of protecting the forests*”.

The report discusses possible international mechanisms to compensate countries for avoided deforestation. Compensation would need to take account of the opportunity costs of alternative uses of the land, the costs of administering and enforcing protection, and the challenges of managing the political transition as established interests are displaced. Research carried out for the report indicates that the opportunity cost of forest protection in 8 countries responsible for 70 per cent of emissions from land use may be around \$5 billion per annum initially.

The report notes that carbon markets could play an important role in providing such incentives in the longer term. However it suggests that in the short term there are risks associated with efforts to integrate avoided deforestation into carbon markets since it might simply undermine progress to reduce emissions in the energy, manufacturing, construction and transport sectors. Mechanisms outside carbon markets may be more appropriate in the short term.

The Review suggests one alternative may be to develop markets for “biodiversity credits” or “deforestation credits”. According to the Review “*these credits would operate in a similar way to carbon credits, with demand coming in from those who wanted to invest in forestry projects linked to corporate social responsibility or other goals. The credits could recognise a wider range of benefits than just avoided emissions. They could, for example, be based on the area of forest protected rather than a complex measurement of carbon saved*”.

2.5.2 International funding for “avoided deforestation”

The idea of compensation mechanisms for “avoided deforestation” has also been gaining ground in political circles. In the run up to the UN Framework Convention on Climate Change (UNFCCC) conference held in Montreal in 2005, Papua New Guinea (PNG) and Costa Rica, on behalf the Coalition of Rainforest Nations, led a move to reconsider approaches to “stimulate action to reduce

emissions from deforestation". Their key proposal (commonly known as the PNG proposal) was to develop a mechanism to enable carbon saved through reduced deforestation in developing countries to be traded internationally.

Specifically, it was proposed that a country establishes a national baseline rate of deforestation (converted into carbon emissions) and negotiates a voluntary commitment (over a fixed commitment period) for reducing emissions below the baseline. Any reductions that are achieved below the baseline could then be sold under Kyoto or other carbon markets. No trading would be allowed if emissions were above the baseline in a commitment period.

A slightly different proposal was put forward by Brazil at a UN climate change workshop in Rome in August 2006. Brazil proposed a scheme to offer positive incentives to developing countries that voluntarily reduce the greenhouse gas emissions from deforestation. This would be a voluntary arrangement in the context of the UNFCCC. There would be a reference emission rate for each country based upon previous deforestation rates, which would be periodically updated. This would allow annual or periodical emissions from deforestation to be compared to the reference level with standard values of carbon per hectare. Countries could earn credit according to the ratio of emissions reductions achieved. This scheme has several elements in common with the Rainforest Coalition proposal but with the crucial difference that funding would be outside carbon markets. The proposal is that developed countries voluntarily share the cost of the scheme.

The World Bank recently added its weight to arguments in favour of international compensation for avoided deforestation. They have just published a report "At Loggerheads? Agricultural Expansion, Poverty Reduction and Environment in the Tropical Forests" which also proposes a system funded by industrial countries that pays developing countries for reducing their rate of deforestation. Another possibility suggested by the World Bank is to offer incentives to intensify agricultural activities on existing land and so reduce development pressure on pristine forest.

The World Bank report uses a simple example to highlight the potential benefits of these policy responses. A farmer in the developing world cutting down a hectare of rainforest, rich in biodiversity, may create a pasture worth as little as US\$300. The trees, cleared and burned, release 500 tons of carbon dioxide into the atmosphere, contributing to global warming. Meanwhile, firms in industrialized countries are paying many times the value of the cleared land - perhaps around US\$7,500 - to meet their commitments to limit the same amount of carbon dioxide emissions. The trees are worth more alive, storing carbon, than they would be worth if burned and transformed to unproductive fields. Right now, people living at the forest's edge can't tap that value.

2.5.3 UNFCCC, Nairobi, Kenya

Despite a huge amount of advance publicity, generated partly by publication of the Stern and World Bank reports, the United Nations Climate Change Conference (UNFCCC) held in Nairobi during November, seems to have made few significant advances. The 180 countries which conferred in Nairobi reached no agreement on how to cut greenhouse-gas emissions after 2012, when the Kyoto protocol expires. They merely agreed to agree in 2008. Finance and foreign ministers would have been needed to cut a real deal, but hardly any attended the meeting.

On deforestation, the Conference endorsed a report by the UNFCCC Subsidiary Body For Scientific And Technological Advice (SBSTA) which agreed on the need for a workshop on positive incentives to reduce emissions from deforestation to be held during 2007. The workshop will consider the various policy approaches and the technical requirements related to their implementation. Detailed recommendations from the workshop will be considered at the next UNFCCC meeting.

This relative lack of progress on substantive issues came despite intense lobbying from business and NGO interests. Business and industry were particularly keen to ensure that outcomes of the negotiations were sufficiently robust to underpin long-term investments. Many experts at the

meeting also highlighted that the international policy dialogue is falling behind practical action on climate change in the “outside world” that is now gaining significant momentum. California’s cap-and-trade system and initiatives by the G8 (which gave birth to the Stern Report) provide clear evidence of this. Next year, the World Economic Forum will host further talks with the World Business Council for Sustainable Development on engaging the private sector. The EU emissions trading scheme has potential to form the cornerstone of a global scheme.

2.6 East Asia Forest Law Enforcement and Governance

The Regional Steering Committee of the East Asia FLEG Process convened September 9–10 in Jogjakarta to review calls for a second East Asia Ministerial Conference sometime in 2007. This Ministerial Conference would bring together representatives of timber producer and consumer countries to discuss issues of shared responsibility for control of illegal logging and associated trade. Forest sector transparency and customs cooperation are likely to be the basis for the agenda. The Philippines has offered to host the Conference.

ASEAN (Association for the South East Asian Nations) has expressed initial interest in the East Asian FLEG process and is expected to offer formal support at the next ASEAN Ministers of Agriculture and Forestry Meeting to be held in mid-November, 2006. The Philippines, Indonesia and the ASEAN Secretariat are making efforts to shepherd this proposal through the ASEAN process.

The second Ministerial and ASEAN support are expected to revitalise the East Asia FLEG process which, until now, has been lacking in impetus. More information can be obtained from Neria Andin, Government of Philippines, at neria_andin00@yahoo.com or www.worldbank.org/eapfleg

2.7 African Forest Law Enforcement and Governance process

Over 300 participants, including Senate Presidents and National Assembly Speakers from Central African countries, convened in Yaoundé, Cameroon October 24–27, at the Central African Forests Commission (COMIFAC) and Parliamentarians meeting. Key objectives were to promote the harmonization of forest laws and policies in the sub-region in conjunction with the Africa FLEG process and the EU FLEGT processes, and to involve central African parliamentarians in efforts to develop Voluntary Partnership Agreements (VPAs) with the EU. Other topics objectives were to discuss measures to: ensure appropriate use of forest royalties; build capacity for parliamentarians on national laws and international conventions; and facilitate communication systems to track entrepreneurs engaged in cross-border illegal operations. A Yaoundé Declaration and a draft Action Plan were prepared. Further information can be found at www.iisd.ca/yimb/psmcafe1/

A high level policy meeting on FLEG will be held in February, 2007 in Nairobi, Kenya to evaluate how to integrate recommendations from the AFLEG Yaoundé Ministerial Declaration into existing structures of the East African Community. Organized by the African Academy of Sciences (AAS), the African Academy of Sciences (the African Research Network (AFONET), the IUCN-World Conservation Union (Eastern Africa Regional Office) and the Sustainable Forest Management in Africa Project (SFM), the event will be hosted by the Embassy of Finland, the East African Community Secretariat and the European Commission. Contact: Dr. Antti Erkkilä, Embassy of Finland(Nairobi) at Antti.erkkila@formin.fi or Dr. Iba Kone, AAS/AFONET at i.kone@afonet.org.

2.8 Latin America FLEG

Latin America seems to have taken the first tentative moves towards development of a regional Forest Law Enforcement and Governance process. A Workshop on “Application of Forest Law Enforcement in the Amazon” was held from 29–31 August in Sao Paulo, Brazil. The meeting brought together over 50 legal and forestry experts from the eight Amazon Cooperation Treat Organization (ACTO) member countries (Bolivia, Brazil, Colombia, Ecuador, Guyana, Surinam, Peru and Venezuela) as well as representatives from several intergovernmental organizations including the World Bank. The workshop was sponsored by the Government of Brazil, ACTO, ITTO

and FAO. The meeting heard detailed summaries of the status of forest law enforcement in each of the member countries, focusing on instruments available, solutions available and opportunities to further improve development and enforcement of forestry laws. Group work focused on the themes such as political and legal frameworks; institutional structures and opportunities for social participation; and technology and information. A report of the meeting will include recommendations for national and regional action, including for better coordination on monitoring and controlling frontier areas as appropriate, and will soon be available on ITTO and FAO websites. Contact: Steve Johnson, ITTO at johnson@itto.or.jp

2.9 Europe-North Asia Forest Law Enforcement and Governance

2.9.1 Workshop develops guidance on national action plans

Following up on the ENA FLEG Ministerial Conference held in St. Petersburg, Russia in November 2005, the Ministry of Environment and Forestry of Turkey, in collaboration with the World Bank, organized a workshop in Antalya, Turkey from May 16 to 18, 2006. The workshop offered interested stakeholders an opportunity to learn from past experiences in combating illegal activities in the forest sector and to provide practical guidance on formulating national action plans with clearly defined targets and means for monitoring progress of implementation as called for in the St. Petersburg Declaration. The workshop brought together more than 110 participants from 30 countries, representing government, civil society and the private sector.

The principal objectives of the workshop were to: (i) learn from experiences gained so far in the ENA region and elsewhere in combating illegal activities in the forest sector; (ii) share experiences and improve skills in formulating Action Plans to combat illegal activities in the forest sector; (iii) provide a forum for discussions between country representatives and funding agencies.

“Guidelines for Formulating and Implementing National Action Plans to Combat Illegal Logging and other Forest Crime” were developed in preparation of the workshop and formed the basis for discussions. Participants noted the importance of evaluating the adequacy of relevant legislation in the early stages of any assessment, as well as developing frameworks for analysis that are flexible enough to include links to other sectors. A revised draft of guidelines is available at: www.worldbank.org/fleg or Tapani Oksanen, World Bank at toksanen@worldbank.org.

2.9.2 Forest Trends hosts meeting on Chinese-Russian trade

On August 17–18, 2006, stakeholders representing Chinese, Russian, and international leaders in business, international investment, government, environment and academia convened in Burduguz, Irkutsk Oblast, Russia near Lake Baikal to discuss the forest products trade between Russia and China and its long-term impact on the economy, environment and society on both sides of the border. The meeting, convened by Forest Trends, aimed to identify how responsible trade and investment policies can foster sustainable forest sector development on both sides of the border. Further information can be found at www.forest-trends.org or by contacting Luke Bailey, Forest Trends at lbailey@forest-trends.org

2.9.3 EU-Russia cooperation on the environment

A meeting of a Partnership Council between the EU and Russia met for the first time in Helsinki on October 10, 2006 to discuss closer cooperation in the environment sector between the EU and Russia. Taking part in the council were Russia’s Minister of Natural Resources Juri Trutnev, as well as Finnish Environment Minister Jan-Erik Enestam (Swedish People’s Party), Matthias Machnig, State Secretary at the Ministry for the Environment of Germany, which is the next holder of the EU Presidency, as well as the European Commissioner for the Environment, Stavros Dimas. Russia’s Minister of Natural Resources, Juri Trutnev was quoted in the international press as saying that responsibility for illegal felling in Russia lies mainly with Russian officials, but also with the buyers of illegally cut timber. Minister Trutnev acknowledged that illegal felling is one of the greatest problems of the forest sector in Russia, including cross-border trade that takes place over

the border with China.

Following on from their ENA-FLEG commitments, the Russian authorities are currently finalizing preparation of a comprehensive “*National Action Plan To Combat Illegal Logging and Associated Trade*”. The approval and launch of this plan, in combination with the imminent enactment of the new Forest Code, is expected to bring substantial changes in the overall responsibilities and accountability of the industry in the utilization of forest resources in Russia.

2.9.4 Workshop discussing illegal trade in Baltic region

Representatives from Belarus, Estonia, Finland, Latvia, Lithuania, Moldova, Netherlands, Norway, Russia and Sweden participated in a meeting in Riga, Latvia on June 8, 2006 to discuss the relative roles of NGOs, industry and government in implementing some of the follow-up recommendations to the ENA FLEG process. A specific focus for the workshop, and a related multi-lateral project was to identify mechanisms to ensure transparency and monitoring of timber flows from forests to the end user (e.g. legal and regulatory processes, certification and industry processes). Working groups devised work plans for a multi-lateral project on transparency in timber flow in the Baltic Sea Region. Contact: Surendra Joshi, surendra.joshi@skogsstyrelsen.se

2.10 OECD looks at illegal logging

On January, 8-9, 2007 the Round Table on Sustainable Development at the OECD will meet in Paris to discuss the economics of illegal logging and how to strengthen international efforts to stop illegal actions in the forestry sector. The objective of the meeting is to take stock of progress made to date and identify the key barriers and potential ways forward. The aim will be to focus on illegal logging as a key economic issue rather than just a law enforcement or environmental issue. Ministerial attendance is expected from both OECD and developing countries and other invitees will include executives from leading sector companies, representatives of the relevant inter-governmental organizations, and experts from academic and non-governmental organizations that have taken a lead role in the issue. Contact: Richard Doornbosch, OECD at richard.doornbosch@oecd.org

2.11 Forestry and Poverty Conference

An international Conference considering the role of sustainable forest management in reducing global poverty was held in Hochiminh City, Vietnam, during October. According to reports released by the Conference organisers, discussions highlighted that in most forested areas, the greatest value and income opportunities for the poor come from timber harvesting and wood processing. To date commercial timber harvesting has been primarily the domain of governments and large private companies, with little involvement by the poor. But experiences from many countries in Latin America, Northern America, Africa and Asia have proven that forest harvesting, timber processing and marketing of wood products can meaningfully contribute to forest protection and poverty reduction. Poor people with little formal education and expertise can manage forests sustainably.

In concluding the four-day meeting, delegates issued a conference statement calling for forestry policy makers, forest-related development organizations, donors, private sector and local communities to work together in ensuring that forests are also managed for the benefits of the poor. They specifically called on policy makers to improve access and rights of the poor to forest resources, and to simplify forest laws and regulations. International development organizations and donors were requested to help set up comprehensive support systems for wood-based enterprises in rural communities. The private sector was urged to facilitate partnerships with local communities, households and forest associations, and local communities were asked to play a more active role in forestry policy making and in fostering forest enterprise development.

The conference was jointly organized by the Food and Agriculture Organization of the United Nations (FAO), the Netherlands Development Organization (SNV), the Department of Forestry in Vietnam, the International Tropical Timber Organization (ITTO), the Tropical Forest Trust (TFT),

the Regional Community Forestry Training Center (RECOFTC) and the Asia-Pacific Forestry Commission (APFC). The conference was made possible with financial support from the International Tropical Timber Organization (ITTO) and the Netherlands Ministry of Foreign Affairs (DGIS).

3. National Procurement Policies

3.1 EC information exchange meeting on green procurement

The European Commission held an “informal information exchange meeting” on “The EU FLEGT Action Plan and Discussion of Green Public Procurement Policies for Wood and Wood Based Products” on 12 October 2006 in Brussels. The meeting formed part of the European Commission’s mandate under the Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan to meet with representatives of the private sector to update each other. The T&E Consultant attended the meeting in his capacity as an environmental advisor to the American Hardwood Export Council.

The meeting included a joint presentation by the UK, Dutch and Danish governments that are now working together to harmonise their approach to public sector procurement policy. There were also reports from the Belgian and German governments. The meeting served to reinforce the message that European governments and industry, together with some leading overseas suppliers, are heavily focused on developing environmental timber procurement policies, mainly driven by a desire to remove illegal wood from supply chains. However it also showed that there remain significant internal divisions within and between EC member states on the content and structure of these procurement policies. A full report of this meeting is attached.

3.2 UK review of forest certification schemes still on-going

The UK government’s Central Point of Expertise on Timber began an annual review of five forest certification schemes during June 2006 to ensure that the schemes continue to provide “legal” and/or “sustainable” timber in conformance with UK government criteria. The results of this review had still not been announced at the end of November. A government statement issued at the beginning of November stated that “Defra (Department for Environment, Farming and Rural Affairs) is still considering the findings of the review to monitor continued compliance by forest certification schemes with UK government timber procurement policy. In particular, they are making further enquiries with some of the schemes. A Reference Board meeting has been scheduled for the end of November, and it is anticipated that the results will be available soon after.” The CPET assessment carried out in 2005 concluded that FSC, PEFC, CSA and the SFI Program provided an assurance of “legal and sustainable” timber, while the Malaysian Timber Certification Council provided an assurance of “legal timber”.

3.2 Denmark rates forest certification schemes for legality

Denmark’s government timber procurement policy is still under development and at present only covers tropical timber. The Danish Environment Minister, Mrs Connie Hedegaard, published a 9-point plan for the purchase of legal and sustainable timber earlier this year. The plan calls for expansion of the existing procurement policy to cover all kinds of timber and for a review of criteria for assessing the legality and sustainability of timber.

As an interim measure in anticipation of further changes, the Danish Minister of the Environment recently published a temporary guidance announcing that the following certification schemes are rated as evidence of the legality for all kinds of timber: SFI Program, CSA, FSC, PEFC and MTCC.

4. National forest policies

4.1 Indonesia

4.1.1 Structural change in the industry

The Indonesian wood processing sector is undergoing a period of profound structural change. The combined impact of declining log availability and mounting competition from cheaper Chinese product has resulted in a dramatic fall in plywood production and exports. Prior to the Asian financial crisis, Indonesia exported 9-10 million cu metres of plywood a year. According to industry sources, Indonesia exported only 3.4 million cu metres of plywood in 2005 and this figure is expected to decline further this year. Around 66 plywood mills are reported to have closed during 2005.

During a recent visit to Indonesia by the Consultant, it was clear that log supplies at the mills were extremely low with plywood manufacturers emphasizing that the decision of the Indonesian government to greatly restrict the annual allowable cut remains the key factor limiting supply. The official AAC in Indonesia was reduced dramatically from 21 million m³ in 2001 to only 5.4 million m³ in 2005. In 2006, amidst mounting evidence that the policy was unworkable, there has been a partial reversal with AAC increasing to 7.9 million m³.

Representatives of Apkindo, the Indonesian plywood manufacturers association, suggest that while tightening government controls have meant that legitimate operators are now being starved of logs, the incentive for less scrupulous operators to avoid legal channels altogether has tended to increase. A significant portion of illegally harvested logs, they allege, continue to cross the border to Malaysia and are ultimately destined for China. Apkindo complain bitterly that their industry is being strangled by mounting red tape designed to prevent illegal logging, while their competitors in China are reaping the benefits of cheap logs smuggled illegally out of the country.

4.1.2 Progress to tackle illegal logging

However the evidence suggests that the hemorrhaging of logs from Indonesia to China is now tending to decline. It's possible to get some idea of the level of illegal log exports from Indonesia entering China through an examination of regional trade data. It's an open secret in China that a significant portion of the logs officially declared as imported from Malaysia actually originate in Indonesia. This has led in recent years to significant discrepancies between China's official log import data Malaysia's official log export data (see table). This discrepancy fell dramatically between 2004 and 2005, suggesting a significant reduction in illicit Indonesian log exports to China. The big decline coincides with efforts by the central government to regain control over forest regulation and to retract dramatic decentralisation measures implemented following the demise of the Suharto regime in 1998. It also coincides with the introduction, in March 2005, of *Presidential Instruction No. 4 Concerning Eradication of Illegal Logging* which firmly established efforts to tackle illegal logging as a national priority.

Comparison of Malaysian log export and Chinese log import data (m³)

	2003	2004	2005
Malaysian log exports to China (source Maskayu/MTC)	1317100	1134700	1630771
China's log imports from Malaysia (source Chinese customs)	2931447	2722040	1858869
Difference (possible illicit volume)	1614347	1587340	228098

More recently, the national focus on controlling illegal logging in Indonesia has led to several concrete outputs and activities including:

- The drafting of a new law on illegal logging by the Indonesian Ministry of Forestry (MoF) to improve law enforcement operations and expedite efforts to curb illegal logging.
- A collaborative program between the MoF and South Dakota State University to assess and identify forest monitoring approaches that can be integrated in the governmental decision-making process; and studies to identify and analyze forest cover change between 2000–2006. The partnership has produced a preliminary set of annual change maps with Moderate Resolution Imaging Spectroradiometer (MODIS)

data and validated these with high-resolution imagery. The MoF hopes to install this MODIS-based forest monitoring system by the end of 2007.

- A Multi-stakeholder Forestry Program with DFID, the UK aid agency, which has supported a MoF partnership with Forest Watch Indonesia (FWI) to establish a comprehensive GIS database on forest utilization licenses - especially those dealing with selectively felling natural forests and creating timber plantations.
- An initiative of the Coordinating Ministry for Law and Security which, as a part of its Presidential mandate to coordinate efforts against illegal logging, intends to adopt a comprehensive framework of actions (identified as part of a multi-stakeholder consultation process) to curb illegal logging.

In another sign of progress, in September the Indonesian Forestry Minister said that the government is currently hunting an international illegal logging syndicate operating in the country. The minister said that over 50 high profile suspects of the illegal operation were being pursued by the authorities, some of them from Malaysia and South Korea. The suspects had operated in Kalimantan and Sumatra.

4.1.3 ENGOs keep up the pressure

Despite evidence of progress, ENGOs have kept up the pressure on the Indonesian government and on overseas suppliers of Indonesian wood products. At a press briefing held in Jakarta during September, a representative of the Environmental Investigation Agency claimed that illegal logging continues unchecked in Indonesia and is still the source of between 67%-70% of timber supplied to the domestic wood and paper industries. At the same press briefing, a spokesperson for Tim Pembela Aktivist Lingkungan, or TAPAL, a group of Indonesian lawyers that provides legal assistance to environmental activists, said that while Indonesia's president has shown political will by urging law enforcers to combat illegal logging and supervision by police in the field is deemed effective by environmental groups, the country's corruption-riddled court system has so far proven ineffective at bringing perpetrators to justice.

A representative of Telapak, an Indonesian NGO, alleged at the press briefing that large illegal logging syndicates continue to operate, often with the backing of military or police power. Telapak added that these syndicates often resort to intimidation, violence and even murder to silence environmental activists - so much so, that environmental groups have banded together to form a national crisis center, where activists can report threats received from illegal logging syndicates.

Telapak alleged that they has recently received documents on timber deliveries in the eastern Indonesian province of Papua that directly implicate two four-star navy generals in Jakarta in illegal logging syndicate involvement. However, no names were divulged due to security concerns.

4.3 Debate over forestry in Papua New Guinea

A heated public debate has been generated over forestry practices in Papua New Guinea following publication of a report entitled "Whatever it takes: Greenpeace's anti-forestry campaign in Papua New Guinea". The report was commissioned as an independent study from the forestry consultancy GTS Global by the Rimbunan Hijau (PNG) Group, the Malaysian-owned company that is the largest forestry operator in PNG. The report, published in July 2006, subsequently received press coverage in The Australian 16 September 2006 and The Post Courier (PNG) during September.

The report describes how, since 2004, Greenpeace has spearheaded an aggressive campaign to stop commercial forestry in Papua New Guinea (PNG). It claims that Greenpeace has focused the campaign on the Rimbunan Hijau (PNG) Group, labelling the company a criminal, accused it of treating employees like slaves, and invoked xenophobia because the company is foreign-owned and the owners are Chinese-Malaysian. The report says that Greenpeace has accused the company of corruption and being protected by political patronage, illegal logging and wrecking the environment. The report refers to the Greenpeace campaign in 2005 focusing on illegal logging in PNG that led UK plywood importers and others to agree to avoid all wood products containing

PNG wood products. ITS Global draws WWF into the debate by suggesting that the Greenpeace international campaign on illegal logging has been co-ordinated with WWF.

ITS Global suggest that “if Greenpeace succeeds, it will be the people of PNG who pay the price. The forestry industry in PNG is an important contributor to the economy. It generates between 5 and 9 percent of GDP, 6 percent of all tax receipts and employs over 10,000 people. It creates roads and airfields, and in rural areas, it provides education and health services. This is infrastructure which is either not provided or not properly maintained by government authorities.”

They go on: “*Greenpeace is not interested in economic growth in PNG, or what it means to the people of PNG. Rather, it is trialling eco-forestry and subsistence forestry. This has been tried for 10 years on PNG, and it is not commercially viable.*” ITS Global criticise Greenpeace campaign focus on “illegal logging” suggesting that in PNG accusations of illegal logging are easy to make “because Greenpeace contends that if Governments do not properly administer their laws, any company acting under those laws is acting illegally. Most developing countries do not administer their laws properly. However, that is not a valid reason to close down a wealth-creating industry, no matter how imperfectly it is regulated.”

Greenpeace and WWG both issued robust responses. They seek to discredit ITS Global on the grounds of the company’s commercial links with the forest industry. Greenpeace suggest that ITS Global relied on misinformation and statistics provided by Rimbunan Hijau. Furthermore, Greenpeace criticise ITS Global for failing to talk to landowners or NGOs working on forest issues in PNG. Greenpeace reference numerous reports which they claim identify serious regulatory and other problems in the PNG industry. They suggest that the reports of an Independent Review team mandated by The Government of PNG and the World Bank to audit the operations of the PNG logging industry showed widespread illegalities in the logging industry. On economic development, Greenpeace emphasise that taking steps to eradicate illegal logging would contribute to economic development. In their response, WWF deny they are promoting eco-forestry and highlight their efforts to work with the commercial forestry sector through the Global Forest and Trade Network.

4.4 Cameroon: defining legality

Various projects are underway in Cameroon – the leading supplier of African hardwood into Europe – with the intention of preparing the country for formal negotiation of a Voluntary Partnership Agreement (VPA) with Europe in early 2007.

In September, the Cameroon government hosted a workshop to develop a legality standard. The aim was to reach agreement over exactly how legality should be defined in the Cameroon context. The standard will provide the basis for legality licencing that will be required for export of Cameroon wood to Europe under the VPA.

Efforts are also being made to strengthen Cameroon’s existing program of independent forest sector monitoring. With funding from UK DFID, the World Bank and the European Union, Resource Extraction Monitoring (REM) acts as the official Independent Monitor of Forest Law Enforcement and Governance (IM-FLEG) in Cameroon. REM’s monitoring teams follow the routine activities of forest law enforcement officials, including joint investigations of logging activities with the Forest Department and analyzing the administrative follow-up of infractions.

Now with funding from UK DFID and the Cameroon Government, the International Conservation Union (IUCN) is working to strengthen the capacity of local communities to participate in the independent monitoring system. Experience on the ground has shown that local villagers are well placed to spot illegal activities and to propose solutions. Villagers are now being provided with training and equipment for basic monitoring (using GIS, GPS, maps, compasses, etc) in a pilot area. An action plan, action network and community observatory group has been developed to collect and disseminate information on illegal logging and poaching activities within the area.

4.5 Ghana develops legality verification....

Ghana is implementing a system that will provide customers with independent and watertight assurances that wood derives from legal sources. The system will be so comprehensive that importers overseas will be able to view the precise positions of the trees that have contributed to a bundle of processed wood simply by accessing a web page. Development of the system is a response to increased EU demand that wood be verified legal and is also designed to improve forest enforcement. Ghana is relatively small supplier of tropical hardwood lumber, mouldings and plywood to the EU and the US.

The Ghana Forestry Commission (FC) has been implementing its "Validation of Legal Timber Programme" (VLTP) since early 2005. The scope of the VLTP includes enumeration of trees in the forest, labelling of logs and other wood products (including any imports), and tracking them from the forest to the mill and onward to export or (later) the domestic market. The programme aims to enhance the FC's capacity to control legal and illegal activity, as well as to achieve a clearer definition of its role as forest manager and regulator.

The timber flows to be monitored and verified are: from standing tree in forests (forest reserves, off reserve forests, and plantations); to logging and to processing; and to local sales or export. The system will enable the tracking of individual logs and consignments of processed products, and will include product labelling, physical inspections and documentary checks.

Implementation of the VLTP has involved a comprehensive review of FC's current timber monitoring system, which is largely paper-based and operated by more than one operational division. Major problems to be overcome have included the difficulty of reconciling data across divisions and the long delays that render reconciliation ineffective.

An autonomous agency, the Timber Validation Agency (TVA) is being established to implement a reliable monitoring and verification system for both wood product and financial flows (i.e. the payment of related royalties, taxes and fees). The FC has contracted SGS as Technical Partner to assist in, among other activities, establishing the TVA and defining the scope of the VLTP.

The system will apply the latest technology to help reduce the effects of human error and fraud. Handheld computers and GPS systems will be used in the field to ensure complete and accurate data capture. Data will be communicated over cell phone networks, stored and analysed in comprehensive databases systems, and made available on-line. An appropriate combination of labelling systems, hardware, software and communications technology is being developed.

4.6 ...and so does Guyana

The Guyana Forestry Commission and the Guyana Forest Products Marketing Council (GFPMC) are together developing a system for legal verification of timber products with the assistance of the United States Agency for International Development - Guyana Trade and Investment Support Project (USAID - GTIS), the World Wildlife Fund (WWF) and the International Tropical Timber Organisation (ITTO). The development of the process is being carried out by Proforest, the UK-based consultancy. The process is expected to be completed by the end of 2006. Once the process is complete, the (GFPMC) will serve as the coordinator for Legal Verification of the sector as a whole. Guyana's forest authorities hope the new system will help further develop Guyana's forestry sector by increasing standards and opening up new export markets in the United States and Europe.

Guyana's forestry sector is confronted with serious challenges in the form of restricted market access for its timber products, inefficient and antiquated methods of production, lack of financing for retooling, and competition from South-east Asian timber companies. The Guyana government believes the new verification system will help to increase the contribution of Guyana's forests – which cover 75% of the country - to national economic development. The aim is to develop a mechanism which is independent, transparent and compatible with other internationally recognised schemes and supported by appropriate promotional materials. This would allow companies that are legally compliant to gain market access and also serve as the first step for companies

interested in pursuing forest certification.

4.7 Brazil: Amazon deforestation slows

The Brazilian government recently announced revised figures on the rate of deforestation in the Amazon, indicating less forest destruction than in previous years. According to the figures, 13,000km² of rainforest were destroyed in the 12-month period between August 2005 and 2006 — the second lowest rate since figures started being compiled in 1988. The figures represent a 30% fall in the rate of deforestation compared to the 2004/2005 period. In a statement following release of the data, WWF-Brazil suggest that a number of factors may explain the current decrease, most notably a reduction in the price of soy, Brazil's most important agricultural commodity, which may have reduced the incentive to cut down the Amazon to make way for new plantations.

4.8 Russia

At the end of November, Russia's upper house of parliament voted to adopt a new forestry code, intended to attract foreign investment into the domestic wood-processing business. The new code, which comes in force on 1 January 2007, states that all forest lands will be held as federal property but seeks to decentralise control over forests by passing responsibility for regulation into the hands of regional governments. The new law also scraps compulsory auctions for investors to win the right to a forest area, enabling regional executive branches to sign direct contracts with them. The law reduces the maximum tenure of forest leases from 99 years to 49 years. Forest areas are divided into three categories: protection, production and reserve.

Russian officials estimate that Russian timber industry needs \$4 billion of investments annually. They suggest that only 20 to 30 % of productive forest land is being developed due to lack of infrastructure and roads. Russian authorities hope the new code will encourage investors to develop the necessary infrastructure.

Environmental organisations have been highly critical of the new code. Greenpeace said the Code lacks enabling legislation making it largely unworkable. WWF-Russia complained that it opens up Russia's forests to development while ignoring social and environmental interests.

5. Private sector initiatives

5.1 Danzer and WWF agree to work together

WWF and the Danzer Group have agreed to work together in Africa to promote sustainable forest management. As part of the cooperation, Danzer's subsidiaries, IFO in the Republic of Congo and SIFORCO in the Democratic Republic of Congo — which manage a combined total forest area of 3.2 million hectares — are scheduled to be certified by the FSC starting in 2008. This is the largest concession in Africa currently being prepared for FSC certification. Danzer has also announced it will join WWF's Global Forest and Trade Network (GFTN).

5.2 European toy industry recognises both PEFC and FSC

The Federation of the European Play Industry FEPI has confirmed its commitment to certification of Sustainable Forest Management. In a recent open letter FEPI President, Mr Thomas Berfenfeldt, emphasised the importance of certified wood for the production of toys and announced that *"FEPI officially and formally declares that the hereafter both certification schemes meet in an equal manner the basic requirements and should therefore receive identical treatment on a non-discriminatory basis: FSC - Forest Stewardship Council; PEFC - Programme for the Endorsement of Forest Certification. In fact, they are both systems that ensure environmentally responsible, socially beneficial and economically viable management of forests. FEPI therefore strongly recommends the utilisation of both systems to consumers, forest managers, policy makers, businesses and the public on a non-discriminatory basis."*

6. Environmental campaigns

6.1 Greenpeace and WWF target Finland to force legislative agenda

In the second half of 2006, ENGOs have targeted the Finnish wood industry as the country took on its 6 month stint as holders of the EU presidency. Campaigns have highlighted Finland's heavy dependence on log exports from Russia as justification for early introduction of EU legislative measures banning the import of illegally sourced wood into Europe.

WWF have highlighted the results of their own surveys which they claim show that "as much as one-fourth of logging in northwest Russia is illegal". According to the WWF "Finland is in a key position to combat illegal logging as it is the most important gateway for Russian raw timber to enter the EU market". They suggest that Russian timber imports make up one-fifth of the total amount of timber used by the Finnish industry and that this amount is expected to grow in the future. While WWF "is pleased that many Finnish forest companies have developed and implemented wood tracking systems" they argue that these need to be further developed together with stakeholders and that transparency of the wood tracking systems should be improved.

In September, Greenpeace issued a report "Partners In Crime: A Greenpeace Investigation Into Finland's Illegal Timber Trade With Russia Crime" alleging that Finland "continues to launder illegally and unsustainably logged Russian timber". Between June and August 2006, Greenpeace claim to have documented widespread illegal logging in the Russian Karelian Republic and the subsequent transport of illegally logged timber into Finland. Greenpeace allege that the majority of timber harvested in the Russian Republic of Karelia is logged in violation of the Federal Law obligation to make all forest management plans subject to an Environmental Impact Assessment. Greenpeace criticise Finland for advocating industry-led mechanisms to control imports of illegal timber. They also criticised on the Finnish industry's reliance on PEFC certification.

Finnish Forest Industries Federation rejected the criticisms and issued a statement suggesting that their members are actively contributing to the efforts of the Finnish authorities to implement the FLEGT process within EU and the ENA FLeg process in Russia. They emphasised their members commitment to the Confederation of European Paper Industries Legal Logging Code of Conduct.

6.2 Greenpeace: PNG wood in public procurement

Greenpeace have kept up the pressure on public procurement officials in the UK by identifying plywood faced with bintangor from Papua New Guinea being used for renovation projects at the Houses of Parliament and at Admiralty Arch, the home of the cabinet office. The basis of the Greenpeace campaign is that the wood came from PNG it is almost certainly illegal. Greenpeace suggest that "this is the fourth time in as many years that Greenpeace has revealed that the Government is using illegal and unsustainable timber." Greenpeace suggest that "although the Government initially said they had proof that the timber was from 'legal and sustainable' sources, a subsequent internal investigation sent to Greenpeace makes it clear that this was not the case". Greenpeace said that the UK "*must sort out its shambolic timber policy by ensuring that only Forest Stewardship Council certified timber is used in public building projects, and by introducing a ban on the import of illegal timber*".

6.3 WWF scores European tissue manufacturers

WWF has issued the results of its annual environmental performance assessment which rates five "giant" tissue manufacturers which they say make up 75% of the European market - Georgia-Pacific, Kimberly-Clark, Metsa Tissue, Procter & Gamble and SCA Tissue. They claim that while some of Europe's leading tissue manufacturers have made improvements to their environmental performances, many gaps remain. WWF scored the companies across a range of criteria, including their levels of recycled content, wood sourcing practices, pollution control and transparency. This year, two of the five companies achieved a score of over 50 per cent, compared with none in 2005.

Metsa Tissue received a 53 per cent score, while SCA Tissue achieved 69 per cent, the only company to get a “green mark”.

WWF suggest that SCA Tissue scores most highly on timber sourcing issues, presumably because of its most far-reaching commitment to FSC. WWF claim that SCA Tissue is “*the only surveyed company that is able to ensure that wood fibres used in its products don’t come from poorly-managed forests*” and that “this manufacturer also promotes the highest environmental and social standards in forest management, reaching 89 per cent of the achievable scores on sourcing”. The

WWF acknowledge that Metsa Tissue, Georgia-Pacific, Kimberly-Clark and Proctor & Gamble “*have become more aware of the need to address controversial wood sourcing*”. But they also claim that “*the companies still fail to show how they effectively exclude the use of timber which is linked to unsustainable forest exploitation, illegal logging and land rights conflict*”.

The say this trend has worsened in 2006 compared to the previous year. WWF criticise all the companies for using relatively low levels of recycled fibres in toilet paper, paper towels and napkins offered in retail markets. Metsa Tissue is singled out for being “*the only company to increase recycled fibre levels in its consumer products*”.

WWF suggest that the European tissue business is worth around €8.5 billion annually, and accounts for 26 per cent of global tissue consumption, with each European using 13kg — the equivalent of approximately 22 billion rolls of toilet paper.

6.4 WWF targets Asia Pulp and Paper

A recent WWF report targets Asia Pulp & Paper (APP) which it claims is destroying peat swamp forests in Sumatra, Indonesia. The controversy centers on the Kampar Peninsula which consists of approximately 400,000 hectares of large, still relatively intact peat swamp forest which is an important habitat for Sumatran tiger. Jikalahari, a local NGO network, and WWF have proposed it as a national park. According to WWF “*APP is getting ready to clear the forest*”. WWF say that APP had pledged to protect a few small blocks of forests in the area defined (according to FSC criteria) as high conservation value forests (HCVF). However, according to SmartWood, which was hired by APP to audit its performance in protecting these HCVFs, APP failed to protect them. WWF say that in a meeting they held with APP in June this year, APP refused to guarantee that the HCVF would be excluded from its future logging and wood sourcing operations.

6.5 EIA: European flooring companies criticised for continuing use of merbau

The Environmental Investigation has kept up the pressure on Europe’s largest flooring companies claiming that they are continuing to use “merbau of uncertain origin”, despite EIAs allegations that the wood is likely to have been illegally sourced from forests in the Indonesian state of Papua. EIA has been leading a campaign by environmental groups for consumers to boycott merbau products supplied by Junkers, Tarkett and Kahrs. EIA note that large retail chains in the UK and USA have already removed these products from their stores, but suggest that Europe’s largest manufacturers and many smaller retailers have continued business as usual.

7. Events

UNFF Open-Ended Ad Hoc Working Group: 11 December 2006 - 15 December 2006. New York, NY, USA. The Working Group is expected to consider the content of a Non-Legally Binding Instrument on all types of forests prior to the seventh session of UNFF. For more information contact: UNFF Secretariat; tel: +1 917 367 3186; fax: unff@un.org; e-mail: [1 212 963 3160 / 3401](tel:12129633160); Internet: <http://www.un.org/esa/forests/n-mayjun06.html#art1>

Mobilising Wood Resources: Can Europe's forests satisfy the increasing demand for raw material and energy under sustainable forest management? Thursday 11th January 2007,

Palais des Nations, Geneva, Switzerland. This two day workshop aims to deliver: strategies for mobilising wood given a constantly increasing demand; better understanding of impacts and effects of increased wood mobilisation on different sectors; recommendations to policy-makers and stakeholders on these issues. Contact: info.timber@unece.org
<http://www.unece.org/trade/timber/workshops/2007/wmw/mobilisingwood.htm>

Improving Forest Governance This seminar on Science, Policy and Practice for Improving Forest Governance, originally scheduled for October 2006, is expected to be held at UN headquarters, New York in early 2007. For more information, contact: Ghazal Badiozamani, UNFF Secretariat; tel: +1-212-963-3160 / 3401; fax: +1-917-367-3186; e-mail: badiozamani@un.org; internet: <http://www.un.org/esa/forests/n-mayjun06.html>

Illegal Logging Update and Stakeholder Consultation No. 9. 27 January 2007, Chatham House, London. The event is free and open to all but registration is essential. Contact: Gemma Green. ggreen@chathamhouse.org.uk

Meeting Of The CBD Group Of Technical Experts On An Internationally Recognized Certificate Of Origin/Source/Legal Provenance: 22 January 2007 - 25 January 2007. Lima, Peru. The meeting is organized by the Convention on Biological Diversity (CBD) Secretariat. For more information contact: CBD Secretariat; tel: +1-514-288-2220; fax: +1-514-288-6588; e-mail: secretariat@biodiv.org; Internet: <http://www.biodiv.org/meetings/default.shtml>

Country-Led Initiative In Support Of The Multi-Year Programme Of Work Of The Unff: Charting The Way Forward 2015: 13 February 2007 - 16 February 2007. Bali, Indonesia. This meeting is intended to provide an opportunity to explore, elaborate and develop a broader understanding of the possible concepts and elements to be included in the new multi-year programme of work (MYPOW) of the UN Forum on Forests. Expected outputs of the meeting include recommendations to UNFF-7 regarding the structure and substance of the MYPOW; interlinkages between the MYPOW and the non-legally binding instrument on Forests; strengthening the regional dimension in the work of the international arrangement on forests through the MYPOW; and possible approaches to accomplishing the global objectives on forests and the new principal functions of the UN Forum on Forests. For more information contact: Tri Tharyat, Permanent Mission of Indonesia to the UN; e-mail: tri_tharyat@yahoo.com.

Policy Interface In Practice: The International Workshop On National Forest Programmes – A Tool For Strengthening Science, will be held from 20-21 February 2007, in Zagreb, Croatia. Organized by the European Forest Institute, FAO and the International Union of Forest Research Organizations, this workshop aims to improve the national science-policy interface in support of the Pan-European process. For more information, contact: Ilpo Tikkanen or Brita Pajari, European Forest Institute; fax: +358-10-773-4377; e-mail: Ilpo.Tikkanen@efi.int or Pajari.Brita@efi.int; internet: <http://www.efi.int/events/extra/2006/foperdecember2006>

Eighteenth Session Of The FAO Committee On Forestry (Cofa): The 18th biennial session of COFA will convene at FAO headquarters in Rome, Italy, from 12-16 March 2007. COFA-18 will bring together heads of forest services and other senior government officials to identify emerging policy and technical issues and advise FAO and others on appropriate action. For more information, contact: Douglas Kneeland, FAO Forestry Department; tel: +39-06-5705-3925; fax: +39-06-5705-5137; e-mail: douglas.kneeland@fao.org; internet: <http://www.fao.org/forestry/foris/webview/forestry2/index.jsp?siteId=6868&siteReId=35913&langId=1&geoid=0>

Seventh Session Of UN Forum On Forests: 16 April 2007 - 27 April 2007. New York, NY, USA. The seventh session of the UNFF is expected to consider the multi-year programme of work, a non-legally binding instrument on all types of forests, the multi-stakeholder dialogue, and enhanced cooperation and policy and programme coordination. For more information contact: Internet: <http://www.un.org/esa/forests/session.html>

ITTC-42: The forty-second session of the International Tropical Timber Council and Associated Sessions of the Committees will be held from 8-12 May 2007, in Port Moresby, Papua New Guinea. For more information, contact: ITTO Secretariat; tel: +81-45-223-1110; fax: +81-45-223-1111; e-mail: itto@itto.or.jp; internet: <http://www.itto.or.jp>

14th Meeting Of The Conference Of The Parties To CITES: 3 June 2007 - 15 June 2007. The Hague, The Netherlands. The meeting is being organized by the CITES Secretariat. For more information contact: CITES Secretariat; tel: +41-22-917-8139; fax: +41-22-797-3417; e-mail: cites@unep.ch; Internet: <http://www.cites.org/eng/news/calendar.shtml>

Global Vision Of Forestry In The 21st Century: 30 September 2007 - 3 October 2007. Toronto, Canada. This congress will be organized under the themes of global challenges, responsibilities and leadership in forestry, frontiers of science and a healthy and diverse forest environment, and cultures, markets and sustainable societies. For more information contact: Shashi Kant, University of Toronto; tel: +416-978-6196; fax: +416-978-3834; Internet: http://www.forestry.utoronto.ca/centennial/int_congress.htm

Second Latin American IUFRO Congress: 23 October 2007 - 27 October 2007. La Serena, Chile. Hosted by the Chilean Forestry Institute (INFOR), the International Union of Forest Research Organizations Congress will focus on three main subjects: forests, environment and society; forests and production; and arid and semiarid zones. For more information contact: Santiago Barros; tel: +56-2-693-0700; fax: +56-2-638-1286; e-mail: sabarros@vtr.net, seminarios@infor.gob.cl; Internet: <http://www.infor.cl>

Fifth Trondheim Conference On Biodiversity: 29 October 2007 - 2 November 2007. Trondheim, Norway. Hosted by the Norwegian Government in cooperation with UNEP, this conference aims to provide input to the CBD and its preparations for the ninth Conference of the Parties (COP-9), to be held in Germany in 2008. Focus will be on the critical role of biodiversity and ecosystems in providing goods and services that are necessary for human well-being and security and for economic development. Its key objectives will be to: illustrate and highlight the role of biodiversity in poverty alleviation and in reaching the MDGs; consider progress on the 2010 target to significantly reduce the current rate of biodiversity loss; and provide insights and inspiration for enhanced implementation of CBD's Strategic Plan. For more information contact: Norway's Directorate for Nature Management; e-mail: postmottak@dirnat.no; Internet: <http://english.dirnat.no/wbch3.exe?p=2392>

Convestion on Biodiversity COP-9: 19 May 2008 - 30 May 2008. Bonn, Germany. This conference is organized by the CBD Secretariat. For more information contact: CBD Secretariat; tel: +1-514-288-2220; fax: +1-514-288-6588; e-mail: secretariat@biodiv.org; Internet: <http://www.biodiv.org/meetings/default.shtml>