



FOREST INDUSTRIES INTELLIGENCE LIMITED

Report for AF&PA

**Trade and Environment
Program in Europe**

January 2001 Report

**Rupert Oliver
rupert@forestindustries.info**

“INFORMING THE SUSTAINABLE WOOD INDUSTRY”

VAT Registered No: 746311248 – Registrar of Companies for England and Wales Company No: 4689869

Head Office: The Little House • 18 Church Street • Settle • North Yorkshire • BD24 9JE •
United Kingdom

Tel: +44 (0)7553 346410 / www.forestindustries.info

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

Technical Report for January 2001

Commentary and highlights

A critical issue for the evolving international forest certification framework is the relationship between the Forest Stewardship Council (FSC) and industry-led initiatives - notably the International Forest Industry Roundtable (IFIR) Working Group - to develop systems of mutual recognition between national and regional schemes. Co-operation between IFIR and FSC could conceivably lead to the eventual development of a single global sustainable forestry certification trademark and label. Alternatively, the two initiatives may choose to go their own way, evolving independently while competing for recognition in the market place. Recent events make the latter outcome seem all the more likely.

At an informal meeting between the Chairman of the IFIR Working Group and the FSC Executive Directors, FSC gave an indication of their strategy in relation to mutual recognition. The strategy appears, on present information, to be one of open confrontation, involving FSC itself adopting the mantle of an "international mutual recognition framework", while giving tacit support to environmentalist campaigns aimed at undermining the credibility of non-FSC schemes. A sign of what may be to come was provided during January with the launch of a concerted attack on PEFC Finland by Nordic environmental groups.

If environmentalist members of FSC are intent on pursuing a policy of confrontation, then the IFIR Working Group may have little option but to go ahead with implementation of their framework without the support FSC or the leading ENGOs, and instead work on market recognition by means of pro-active publicity campaigns that demonstrate:

- support for their framework from the scientific community;
- real commitment to transparency and independence;
- and the "effectiveness" of their framework - both as a tool to promote forest certification and good forestry, and to deliver commercial volumes of certified wood.

Meanwhile further steps towards a truly international framework for mutual recognition were taken at the Pan European Forest Certification Council's (PEFCC) General Assembly in January, from which reports suggest PEFC may now be ready to consider endorsement of the Canadian Standards Association and other non-European forest certification schemes.

1 Meetings

1.1 FSC and IFIR Working Group discuss Mutual Recognition

No meetings were attended by the Technical Consultant during the month. However an interesting insight into the thinking of the FSC concerning their relationship with other certification schemes emerged from a report of a meeting between the FSC Executive Directors and James Griffiths, Chairman of the IFIR Working Group on Mutual Recognition. Griffiths informal minute of the meeting suggests that the FSC are intent on maintaining their distance from industry efforts to develop an international mutual recognition framework, and that environmentalists will focus campaigns on undermining non-FSC certification initiatives. Griffiths reports that:

- The FSC continues to argue that it already provides a framework for mutual recognition and that, having already established a "brand" in the market place, it has no interest in the international framework proposed by the IFIR Working Group which involves mutual recognition of standards, certification systems and trademarks.
- However FSC did indicate support for the analytical tools which have been developed by the IFIR Working Group for assessing substantive equivalence between different standards – these include a set of comparative criteria and indicators, a questionnaire, and glossary for

mutual recognition. FSC suggested they may be able to use these to speed up their approval of existing and emerging national forestry standard setting processes - providing they meet FSC's overarching criteria and indicators.

- FSC is setting up a technical committee to fine tune these analytical tools and have invited Griffiths to participate on this task group as an "international industry adviser".
- FSC is now developing a "policy paper" on recognition agreements for forestry standards which will be released at the next international seminar on mutual recognition to be facilitated by FAO/ITTO/GTZ and held in Rome 19-20 February.
- FSC advised that European based supporters of FSC will be launching a severe attack on the credibility of the Pan European Forest Certification Council (PEFCC) and the European mutual recognition framework it has established, with the object of "destroying" PEFCC acceptance by customers and consumers (this apparently was a direct quote from Muthoo, FSC's newly appointed Executive Director). The European NGO network apparently met in Brussels to plan the campaign. Note the first skirmish in this campaign is already underway following the release by Nordic environmental groups of a report criticising the Finnish PEFC scheme (see under PEFC Finland below).
- WWF International has also carried out a "technical review" of PEFCC, the results of which will be "released" at the FAO/ITTO/GTZ seminar. Pierre Hauselmann of WWF International has carried out the study and will be covering it during his presentation at the Rome seminar.

1.2 Future Meetings

FAO/GTZ/ITTO seminar - FAO, GTZ and ITTO will be jointly hosting a Seminar in Rome between 19 and 20 February on the theme "Building confidence among forest certification schemes". The meeting's main focus is on providing developing countries with an opportunity to have greater input into the international certification debate. International forest industry bodies, notably IFIR, will also be promoting the concept of mutual recognition at the seminar.

IFIR Mutual Recognition Working Group - The IFIR Mutual Recognition Working Group will be meeting in Rome immediately before the FAO/ITTO/GTZ seminar on Sunday 18 February and immediately afterwards on Wednesday 21 February. These meetings will evaluate conference outcomes and consider next steps for the Working Group including further efforts to build support for the IFIR mutual recognition framework, and "how" to implement the framework.

FFIF Seminar – the Finnish Forest Industries Federation (FFIF) is hosting a half-day seminar in London on March 14 which will focus on forest certification in Europe. Speakers will include Ben Gunneberg, general secretary of the Pan European Forest Certification Council; Hannu Valtanen, director of natural resources and forest policy FFIF; and John Viviani, raw materials manager at Shotton Paper. The seminar will take place at The RSA, 8 John Adam Street, London WC2. Further information is available from Joan Byrne on 020 7639 1253.

ITTO - The next meeting of the International Tropical Timber Council will be held in Yaounde, Cameroon, between 28 May and 2 June 2001. The Trade Advisory Group have scheduled a market discussion on "Regulations for a Sustainable Timber Trade - Relevant Issues."

PEFC General Assembly – to be held in Spain on 19th June, venue to be advised.

2 Forest certification developments

2.1 Pan European Forest Certification Scheme

2.1.1 Mutual recognition between PEFC and non-European schemes

The Canadian Standards Association (CSA) has written to the PEFC Council to begin the process of PEFC recognition for CSA International's Sustainable Forest Management Standards CAN/CSA-Z808-96 and CAN/CSA-Z809-96. It is expected that in addition to the normal PEFC assessment procedures, a study will be undertaken comparing the Criteria and Indicators of the "Montreal" and "Helsinki" Processes. Calls for tenders for this work are to be issued within the next few weeks.

2.1.2 PEFC UK joins as full member

The PEFC approved two applications for membership to the PEFC Council at their General Assembly in January. These were PEFC UK Ltd, which joined as a full member and FECOF, (Fédération Européenne des Communes Forestières) which joined as an international organisation in the extraordinary membership category.

2.1.3 PEFC incorporates ILO guidelines into sustainable forestry standards

Following a dialogue with the International Federation of Building and Wood Workers (IFBWW) in Geneva, the PEFC Council has approved changes to its Technical Document to incorporate the International Labour Organisation's (ILO) conventions into the PEFC guidelines on standard setting. Under PEFC, all relevant ILO conventions ratified by a country will be respected in the implementation of Sustainable Forest Management (SFM).

2.1.4 France, Czech Republic and Latvia move closer to PEFC endorsement

The public consultation period for review of the French and Czech national Forest Certification schemes is due to start within the next few weeks. The two schemes have been made available on the PEFC Website (www.pefc.org) and independent consultants have been appointed to undertake the assessment work. The French and Czech schemes are being assessed by Jaakko Pöyry Oy and Indufor Oy respectively. Meanwhile the Latvian Forest Certification Scheme was submitted for assessment against the PEFC requirements at the PEFC General Assembly in January. The Latvian scheme is the eighth to have been submitted, and several more are expected within the next few months. The Latvian scheme application is now available for viewing on the PEFC Website.

2.1.5 PEFC Austria

The PEFC Austria scheme, which was endorsed by the PEFC council in December last year, has now certified 550.000 hectares of forests. The region "Östliche Zwischenalpen" is the first of nine regions in Austria to achieve PEFC certification. Committees in the other regions have started work towards certification and further certificates are expected by mid 2001. PEFC Austria reports that "preparation for chain of custody certification is progressing well" and should start before the end of February.

2.1.6 PEFC Belgium

The Belgian PEFC scheme, which was officially approved by Belgian stakeholders in June 2000, is now being piloted in the Walloon Region by both public and private forest owners. The first step was to produce a report comparing existing forest management procedures against the Pan European Operational Level Guidelines. The report identified a number of areas for improvement which are now being addressed by a working group of five stakeholder groups. These were producers, operators (including trade unions), scientists, social interests (walkers, hunters etc) and environmentalists. Although three representatives for each stakeholder group were invited to participate, one of the representative of the environmental group (InterEnvironment Wallonie) declined the invitation. The invitation remains open and the environmental group continues to be provided with all relevant documentation. The system will operate at regional level, with all forest owners wishing to participate being required to sign a "charter of commitment to adhere to the scheme". The charter, which is currently in draft form, is being discussed by the working group. An application for recognition by the PEFC will be presented soon.

2.1.7 PEFC Denmark

A Technical Document setting out certification procedures for both forest management and chain of custody is now in its third draft. It has drawn heavily on procedures and documentation derived from Denmark's neighbours in Sweden, Finland, Norway and Germany. The document is being prepared by a working group facilitated by the State Forest Department and involving a wide range of stakeholders.

2.1.8 PEFC Finland

PEFC Finland has progressed most rapidly to certify a large proportion of the nation's forest following PEFC endorsement. Already 21.9 million hectares, around 95% of Finland's forests, have been certified by the Finnish Forest Certification Council (FFCC). These forests are owned by a total of 311,500 forest owners. Finland has also progressed furthest in supplying PEFC labeled products to the market. 15 Finnish forest industry companies, some of which rank amongst Europe's largest wood supplying companies, have already achieved chain of custody certification and have the right to use the PEFC logo on their products (see list attached). Most recently, the PEFC logo was introduced for the production of chemical pulp from Finland. FFCC is now focusing activity on further developing the certification system on the principle of continual improvement. The performance standard, which was developed by a broad consensus of Finnish stakeholders in 1997 is to be updated and all stakeholders will be invited to participate.

2.1.9 PEFC Germany

By end January 2001, 3.47 million hectares had been certified to the German Forest Certification Scheme. Two independent certification bodies, DQS and LGA Intercert, issued certificates to three further regions – Lower Saxony, Rhineland-Palatinate and Hesse – late last year. Certification in Germany has involved all categories of forest ownership: 64% of the area of certified forest are state owned; 9% are community owned; 6% are in the hands of individual private owners; and 21% are owned by forestry associations with more than 70,000 members. In total 1100 forest enterprises have signed a voluntary self-commitment to manage forests according to the PEFC standards. It is expected that approximately 4.5 million hectares will be certified to the German Forest Certification Scheme by the end of 2001. This figure includes PEFC certification in four more regions (Brandenburg, North Rhine-Westphalia, Saxony and Saxony-Anhalt).

PEFC Germany has also commissioned an independent report to compare the scope of PEFC and FSC certification in the North Rhine-Westphalia region. The full report has yet to be published, but preliminary results suggest that both PEFC and FSC are suitable frameworks for certification in the region, although each has its strengths and weaknesses. PEFC Germany suggest the report will indicate that the FSC and PEFC Germany standards are equivalent and that both systems promote the development of "near to nature silviculture".

Meanwhile the German Federal Government, which owns only 2% of German forest land primarily in military establishments, has announced a policy favoring FSC certification. The German State (Lander) governments, which have responsibility for forestry regulation and own 32% of German forest land, are mainly supportive of PEFC.

2.1.10 PEFC Latvia

The PEFC Latvia certification system has been finalized and now awaits PEFC endorsement. The Latvian Forest Owners Association (KS MAA – a new organization established since the end of the communist era) has started preparatory work to undergo certification. Training and educational work organised by the Department of Training at KS MAA will start shortly. This will be targeted at forest owners, the forest owners' sub-regional representatives, forest contractors, sawmill owners, and forestry consultants.

2.1.11 PEFC Sweden

PEFC Sweden is an association with members from private forest owners; 8 of the 13 districts of the church's forests; private sawmills; the forest workers union; contractors; hunters and orienteering associations. The scheme was endorsed by PEFC in summer last year. By the end of January 13,200 private forest holdings with a total area of 1,331,000 has had been certified. A trial-audit for a forest group certificate has also been carried out for Semko-Dekra at Mellanskog, a forest owners association in central of Sweden. No chain of custody certificates have yet been issued, but the first trial-audit for a CoC certification was carried out on 8 February by De Norske Veritas (DNV) at a sawmill in northern Sweden. These trial-audits must now be evaluated by the Swedish Accreditation Service (SWEDAC) before certification is granted. Full English language documentation on the technical details of the scheme will soon be made available at www.pefc.se.

2.1.12 PEFC UK

PEFC UK Ltd, which was legally incorporated on 26 July 2000, became a full member of PEFC in January. Development of PEFC in the UK is being led by the private forest owners. Despite invitations, environmental NGOs have refrained from participation. PEFC UK state that they are now working to have the UK Woodland Assurance Scheme (UKWAS) Standard, which is already recognised by FSC, endorsed by the PEFC. PEFC UK believe it should be the only standard used for access to any logo/label in the UK.. They are promoting mutual recognition and co-operation between all credible schemes with the “*objective is a globally recognised system for the achievement of Sustainable Forest Management*”. A certification body has already been accredited for PEFC certification in the UK through the United Kingdom Accreditation Service (UKAS).

In commenting on the launch of a UK PEFC scheme in the trade press, Alan Knight of B&Q - the nation’s largest DIY chain – suggested that mutual recognition between FSC and PEFC was essential. Knight believes PEFC needs to ensure the wholehearted support of major environmental NGOs, suggesting “*if it doesn’t, it is dead in the water*”.

2.2 Proforest - Another Mutual Recognition Initiative

ProForest, a UK-based consultancy with close links to SGS, is discussing funding for a study related to mutual recognition with DFID, the UK’s overseas development agency. The planned activities and outputs include a review of the work done to date on comparability and equivalence criteria and a proposed set of criteria drawing from all of this work. According to Proforest, the thinking behind the study is that while much progress has already been made on comparability and equivalence criteria, the sets proposed so far do not have “buy-in” from the full range of interests. Proforest believes such “*buy-in is essential for mutual recognition to work in a way that meets the needs of the international forest products market and consumers*”.

Proforest are planning to develop their criteria bringing together a small group of people that between them have knowledge of all the criteria that have been developed so far. The study is intended to be purely technical, impartial and objective. Proforest suggest their criteria could then provide a basis for a process involving all certification schemes working together to produce a single set supported by everyone. Proforest stress that at present, funding for their project is still under negotiation and they are still only in the process of making soundings. They have contacted the IFIR Working Group for their views, and also the FSC. Proforest believe that “some FSC directors and members would support their ideas, others will be cautious or opposed.”

Contacts at DFID note that, if the Proforest work were to go ahead, it would build on the past efforts of CEPI, IFIR and the Australian government to develop criteria for comparison and mutual recognition of forest certification schemes.

2.3 FSC certified forest area rises by 800,000 hectares

Between 1 December 2000 and 31 January 2001, the total area of FSC certified forest increased by around 800,000 hectares from 20.6 million to 21.4 million. The increase reflected several new certifications as follows:

- The first significant area of FSC-certified Russian forest – around 152,000 hectares of state owned land under concession to the German company Holz Dammers gmbh
- A further 211,000 hectares of Fletcher Challenge forests in New Zealand
- A further 243,000 hectares of communally owned natural forest in Mexico
- A small area of plantation (around 15,000 hectares) in the Philippines
- A relatively small area of privately owned mixed forest in France of around 10,000 hectares - the first significant FSC certification in France.
- A further 200,000 hectares of US forest land

Also in early February reports emerged of the first FSC certificates being awarded in Chile by SGS Qualifor.

The number of FSC accredited certifiers has doubled to 10 since the start of last year as follows: Silva Forest Foundation (Canada-based); GFA Terra Systems (Germany-based); South African Bureau of

Standards (chain of custody only); IMO (Switzerland-based); SKAL (Netherlands-based); BM TRADA (UK-based, chain of custody only); SGS Qualifor (UK-based); Soil Association (UK-based).

While numbers of accredited certifiers has increased, one company remains dominant within the FSC system. SGS Qualifor has now certified more than 15 million ha worldwide, nearly 75% of the total area of FSC certified forest. SGS has also issued nearly 500 FSC chain of custody certificates.

3. Market developments

3.1 WWF's pragmatic approach to sourcing wood from Central Africa

As one response to the problems of forest regulation and evidence of high levels of illegal timber extraction in the countries of tropical central Africa – notably Cameroon – WWF is developing a Producers Group for the region. Members of the Producers Group will make a public commitment to improve their forest management and to achieve independent certification by a certain date. WWF will be working with the companies to achieve this. Behind establishment of the Group is recognition that certification in the Central African region cannot happen overnight due to deeply ingrained forest sector problems and lack of a truly effective regulatory environment. The Group is a stop-gap measure helping timber importers to identify, in the absence of forest certificates, those logging companies committed to making improvements.

In announcing development of the group, the WWF provided the following recommendations to wood importers: *“Firstly, give preference to certified timber. If certified timber is not available, contact members of Producer Groups, who will have made commitments to improve forest management and work towards certification. Importers can provide help and assistance to these companies in achieving certification. At all times, importers should take every step to ensure that they are not buying timber from illegal sources, and to encourage companies to implement sustainable forest management and work towards achieving certification.”*

3.2 Greenpeace policy on forest management certification and labeling schemes

Greenpeace recently issued the following position statement on forest certification:

“Greenpeace supports forest management certification as a tool to provide market credibility to ecologically, socially and economically sound forest management.

Greenpeace supports forest management certification systems that contain the following key attributes:

- *Independent and transparent third party audit of standards*
- *Forest management performance standards that are able to be adapted to the local or regional context*
- *Effective participation of environmental, social and economic stakeholders, with procedures to ensure this*
- *Widespread support of environmental and social non-governmental organizations and indigenous peoples*
- *Credibility with consumers and in wood product markets*
- *Allows the tracking of all wood products or chain-of-custody and*
- *Is carried out at the Forest Management Unit level rather than forest holding, company, region or national level.*

Greenpeace supports the Forest Stewardship Council (FSC) because it is currently the only international forest management certification system that has these key attributes.

Greenpeace would therefore consider support for other certification systems if: they contain performance standards that are equivalent to or exceed those of the FSC, have been developed and are carried out with multi-stakeholder participation, and use third party audits to verify standards compliance at the forest management unit level.”

4. Environmental issues

4.1 Greenpeace launch offensive against PEFC

The present domination of Finland in the PEFC market place has meant that it has been first to draw fire from environmental groups seeking to discredit the PEFC. In January, Greenpeace Nordic and the Finnish Nature League published a report *"Anything goes?"* which it is claimed *"examines the ecological reliability of the PEFC certificate through concrete examples documented by the Organizations"*. The report draws on a study of PEFC-certified forestry in Finland in the autumn of 2000 and the beginning of 2001. The environmental groups claim that *"the report presents over 50 cases of ecologically detrimental logging or logging plans in valuable forest areas. It also presents several cases in which possibilities to herd reindeer have been harmed by logging or the rights of the indigenous Sámi people have not been respected in forestry operations. It is evident that logging of forests of high conservation value continues to be an everyday practice of Finnish PEFC certified forestry. Conflicts between forestry and reindeer herding remain unsolved. The vague ecological and social criteria of the PEFC have not made a change towards more sustainable forestry."*

The environmentalist criticisms, which have won widespread media coverage across Europe, are being rebutted by both the Finnish Forest Certification Council (FFCS) and the PEFC Council. The FFCC says that the 55 cases cited by the report are absurd and selected only to highlight the environmentalists' agenda. The report's central claim that old-growth forests continue to be logged is, according to the FFCC, the result of the report authors' much more generous definition of 'old-growth'. FFCC suggest the attack on Finnish forest certification was prompted by environmentalist opposition to non-FSC certification. PEFC have stressed that contrary to the report's findings, Finnish certification has led to on-the-ground improvements. They also note that the door is open for Greenpeace and the FNL to work within the system.

44 of the cases cited by the environmentalists deal with state forests managed by Metsähallitus (previously the Finnish Forest and Park Service) who have issued a point-by-point rebuttal to demonstrate that the accusations are *"extremely unjust and without relevancy"*. A similar document entitled *"Misleading Claims"* has been issued by the FFCS and is available at www.ffcs-finland.org.

Formal representatives of the reindeer herding co-operatives have also been critical of the environmentalists' report. Jouni Filppa, Executive Director of the Association of Reindeer Herding Co-operatives is quoted in the Finnish press as suggesting that the *"nature protection organizations have taken advantage of reindeer husbandry in order to further their own cause."* He notes that the activists did not contact his organization, nor did they request any information on the reindeer owners' forest certification negotiations, which are on-going. Filppa was apparently *"stunned by the action of the nature protection organizations"*, stating that it is *"by no means in the interest of reindeer herders to create a divide between themselves and the forest industry"*.

Greenpeace and the Finnish Nature League are apparently organizing a follow-up trip to Lapland for British journalists in mid February.

4.2 Criticism of European forestry

In line with environmentalists' policy to discredit the PEFC, the focus of their campaigns has turned to European forestry. In addition to the *"Anything Goes?"* report, the WWF and World Resources Institute have been feeding media stories denigrating Europe's forestry record. On 24 January, the International Herald Tribune printed on its front page an article entitled *"Europe's decaying ecosystem; spreading deforestation is acknowledged and ignored."*

The article suggests that *"What is left of Europe's ancient forests, the source of so many myths and legends, is under threat from ax, fire, pollution and urban sprawl, and little is being done about it."* It then repeats the well rehearsed arguments that while forests are being established in Europe, most are plantations of monocultures with limited biodiversity. The report draws on research by the World Resources Institute and WWF which suggests that *"Europe no longer has any open areas large enough to support a complete ecosystem"* and that *"less than 2% of Europe's forests are left in their original state, untouched or replanted by man."* The report also observes that conversion of forest land to agricultural land over the centuries has meant that much of *"Europe's soil is irreversibly degraded."*

The report then goes on to criticize Europe's lack of a common forestry policy at EU level, which it suggests contributes to the problem. The report also includes veiled criticism of the PEFC noting that *"European industry cannot even agree a single set of standards to assure the public that forests are properly managed for long-term sustainability. Some forest owners have set up a rival system to the Forest Stewardship Council supported by environmental agencies."*

Comment – There is some truth in the accusation that forestry in many parts of the European Union has a raw deal in relation to agriculture. Subsidies made available for agricultural production through the EU's Common Agricultural Policy have not, in many countries, been matched by subsidies for forestry, creating an uneven playing field and tending to encourage forest conversion. However the article is also outdated in many respects, failing to mention or take into account the recent transformation of forest policy and regulation in line with European nations' commitment to the Pan European sustainable forestry criteria (formerly Helsinki criteria). Furthermore in a continent that has seen continuous human occupation for thousands of years it is perhaps remarkable that even 2% of forests *"are left in their original state, untouched or replanted by man"*.

4.3 World Bank Review of Policy on Tropical Logging

The World Bank's on-going review of its policy towards financing of tropical forestry operations has become a bone of contention for both industry and environmentalists. The World Bank's existing policy limits financing for commercial logging operations in primary tropical moist forest to the purchase of logging equipment. Although projects which are supportive of small farmer and community based forestry are excluded from this restriction, in practice the policy has prevented the Bank from supporting large scale sustainable forestry operations based on controlled selective timber extraction from natural tropical forest. Many forestry experts see such operations as a critical component of sustainable land use policy in the tropics. In recognition of this, the World Bank has proposed a new policy that:

"Provision will be made to permit the Bank to make investments that will directly support the achievement and continuity of sustainable forest management, based on standards (including the necessary environmental and social criteria), that have now been established in international initiatives on forest certification, such as those set out in the WWF-Bank Alliance agreements."

However even this heavily qualified concession that some logging of natural tropical forest may be supported by the World Bank has been criticized by the green community. The comments of a Working Group of the World Bank's CEO Forum comprised solely of representatives from the environmental community are indicative of their stance. The Working Group essentially advocated a shut down of large scale logging in tropical forests suggesting that *"even those large-scale operations seeking to promote sustainable timber production fundamentally alter the structure and composition of natural forests, and in many cases lead to overhunting when forestry activities improve access to interior areas."* The environmentalists are pushing hard to ensure the Bank adopts a preservationist approach to natural tropical forests suggesting, for example, that staff throughout the Bank are given incentives, training and an adequate budget to promote lending that protects forests.

The recommendations of the Working Group have been heavily criticized by the Tropical Forest Foundation (TFF), an organization that has undertaken extensive research into sustainable timber extraction in natural tropical forests. TFF suggests that the implementation of a preservationist approach would *"seriously hinder global efforts to promote more sustainable uses of unprotected forests and may encourage the loss of tropical forests through conversion to other land uses."* TFF cite several examples of sustainable timber production from natural tropical forests including Portico in Costa Rica, Precious Woods in Brazil, Deramakot Forest Reserve in Malaysia, and PT Alas Kusuma in Indonesia.

The World Bank has gone to great lengths to ensure that environmentalists views are taken into account during review of their forest policy. A technical advisory group comprising Bank personnel and representatives from bilateral aid agencies and non-governmental organizations has been established. In another initiative, regional consultations have been undertaken with more than 300 advocacy groups worldwide over the last 12 months. However even these measures are not enough to satisfy the green groups' appetite for influence. At the end of January more than 40 conservation groups sent a letter to Ian Johnson, vice president of environmentally and socially sustainable development at the

Bank, suggesting that there has been little feedback and communication from the World Bank on the new strategy and policy since the regional consultations were completed. Their main complaint seems to be that the draft of the Bank's new policy was issued in confidence to the technical advisory committee for peer review before being sent to environmental groups.

Rupert Oliver
AF&PA Technical Consultant
15 February 2001

Finnish Companies Granted PEFC Logo-Usage Licenses – end January 2001

Metsä-Botnia - Europe's second largest producer of chemical pulp, with an annual capacity of 2.5 million tonnes. The company produces high-quality bleached softwood, birch and aspen pulps at its Joutseno, Kaskinen, Kemi, Äänekoski and Rauma mills and also linerboard at Kemi. Annual consumption of wood raw material is around 13 million cubic metres.

A. Ahlström Osakeyhtiö - a diversified enterprise with business activities including forestry and sawmilling. The sawmilling side concentrates on high quality speciality products, has an annual output of 100,000 m³ and uses 220 000 m³ of wood raw material each year.

Koskisen Oy - part of the family owned Koskisen Group with production plants using a total of 850,000 m³ of pine, spruce, birch and aspen logs and veneer birch annually. Koskisen Oy's product range includes sawn and planed timber, plywood, chipboard, prefabricated house packages, frames and trusses and various timber components.

Oy Lindell Components Ab - one of Europe's largest companies manufacturing solid pine doors, components and furnishings for the kitchen and furniture industries. The Company's turnover around FIM 50 million and main sales areas are in Scandinavia, UK, Central Europe and the Far East.

Forssan Saha Oy / Forssa Sawmill Ltd - part of the Vapo Timber Group specializing in the production of whitewood sawn and further processed goods. The mill has production capacity of 55 000 m³ per year, including 15 000 m³ of value-added products such as components for the furniture and construction industries, and planed goods for builders' needs.

Vapo Timber Oy - operates six production plants with a total capacity of 750 000 m³. 80% of production is exported mainly to Germany, UK, France, Holland and Denmark.

Yhtyneet Sahat Oy /United Sawmills Ltd. - one of the largest producers of sawn timber in Europe with 9 sawmills in Finland and total production capacity of 2.0 million m³ a year. The sawmills are integrated with the UPM-Kymmene Group's pulp and paper mills for raw material procurement.

Finnforest Corporation – core business is the production and marketing of sawn timber, plywood and highly-processed specialised wood products. Customers include industrial end users, DIY outlets and merchants and suppliers of advanced building systems. Finnforest is represented in 18 countries with a total of 3700 employees and a turnover of EUR 1139 million.

Suomen Kuitulevy Oy/Finnish Fibreboard Ltd – one of Europe's largest fibreboard manufacturers. Two mills with a total capacity of 180000 m³ of hardboard and softboard, provide a wide selection of products for interior and exterior use. More than half the company's turnover derives from export to other European markets.

Schauman Wood - the largest plywood producer in Europe with production capacity of around 850,000 m³. Schauman Wood is part of UPM-Kymmene Wood Products.

UPM-Kymmene Forest - the division responsible for supplying the mills of the UPM-Kymmene Group with raw material (over 20 mill. m³ per year) and for managing forests owned by the Group in Finland (0,9 mill. ha).

Metsäliitto Osuuskunta - parent company of the Metsäliitto Group. A co-operative owned by 125 000 private Finnish forest owners, it procures and markets wood to the Finnforest, Metsä-Botnia and Metsä-Serla mills in Finland, belonging to the Metsäliitto Group. Metsäliitto Osuuskunta's deliveries of wood raw material totalled 23.1 Million m³ in 1999.

Pölkky Oy - a family company producing high quality wood products which purchases Finnish wood from Lapland, Kainuu and northern Ostrobothnia.