

Report for AF&PA

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“INFORMING THE SUSTAINABLE WOOD INDUSTRY”

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Highlights and commentary

There was a significant increase in the pace of PEFC expansion in the closing months of 2003. The area of forests certified under the PEFC mutual recognition umbrella stood at over 52 million hectares at the end of January 2004, up by around 3.5 million hectares since the end of October 2003. The increase was mainly due to a doubling in PEFC certified area in Sweden from 2.4 million hectares to 4.8 million hectares.

The increase in Sweden's PEFC certified area seem partly to reflect problems within the FSC Sweden Working Group. Reports are emerging of a breakdown in negotiations between the environmental movement and the large forest corporations within this Group. According to local press reports, efforts by the environmental movement to introduce tougher environmental and social criteria into a revised standard have brought the process to the brink of collapse. This has encouraged Swedish industrial groups to pursue PEFC certification alongside their existing FSC certification as an insurance policy.

The rapid expansion of PEFC and other non-FSC schemes combined with concerns that fragile forest industry support for FSC may start to erode, has led to a renewal of campaigns by environmental groups to discredit these alternatives. FERN released a flawed follow-up report to their 2001 "Behind the logo" report, criticising alternative schemes. The WWF issued a statement declaring that "*misuse of forest certification could destroy one of the most effective tools for forest conservation in the world*" and suggesting that FSC is the "*only scheme credible enough to carry a consumer label*".

The recent expansion of the Malaysian Timber Certification Council Scheme has also encouraged sharp criticism from the environmental movement, raising doubts over their willingness to support a "phased approach" to certification in the tropics.

Meanwhile, the technical issues surrounding chain of custody have moved to centre stage. In particular, growing concern for illegal logging has meant increased interest in the extent to which different certification schemes are able to provide assurances that timber derives from "legal sources". Recent moves by FSC to shift to a %-input and %-output system of chain of custody have effectively removed the physical traceability link between certified raw material and labeled product. While this has great potential to improve availability of labeled product, it is also raising fundamental questions in Europe over the practicality of timber procurement policies that demand full traceability.

There is also growing recognition in Europe of the need to develop objective criteria on which to base comparisons of forest certification and wood product labeling schemes. A wide range of policy makers and buying organizations – both in the private and public sector – are now looking at ways of assessing the credibility of different forest certification schemes. While the greens continue to insist that FSC should provide a "baseline" for comparison, industry groups are calling for assessments to be carried out against various ISO Guides for independent certification and the various inter-governmental criteria for sustainable forest management (Pan-European, ITTO, Montreal).

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1 Forest certification developments

1.1 Programme for Endorsement of Forest Certification Schemes (PEFC)

1.1.1 Certified forest area

There was a significant increase in the pace of PEFC expansion in the closing months of 2003. The area of forests certified under the PEFC mutual recognition umbrella stood at over 52 million hectares at the end of January 2004, up by around 3.5 million hectares since the end of October 2003. The increase was mainly due to a doubling in PEFC certified area in Sweden from 2.4 million hectares to 4.8 million hectares.

The increase in Swedish certified forest area reflects a breakthrough by the Swedish PEFC cooperative with large industrial forest enterprises in Sweden. Towards the end of 2003, several of these enterprises agreed to pursue PEFC certification. The first major industrial forest enterprise to seek PEFC certification was Holmen Skog AB which has been awarded two certificates covering a total of 2.4 million hectares of forest land. This move prompted Stora Enso and Korsnäs, which together have 2.1 million hectares of forest, to apply for membership of PEFC Sweden. All these enterprises are already certified under the FSC, but for marketing reasons also wish to become certified under the PEFC scheme. According to Björn Andrén, Head of Forestry at Holmen Skog quoted in a PEFC Sweden press release, *"Several of our major timber suppliers have chosen the PEFC scheme, which we consider to be a viable alternative to FSC"*. According to PEFC Sweden, several other industrial forest enterprises are now also considering certification under the PEFC scheme.

Significant additional areas have also been PEFC certified in recent months in Finland (300,000 has), France (300,000 has), Germany (250,000 has), Belgium (160,000 has), and Switzerland (100,000 has).

The number of PEFC chain of custody certificates increased from 941 at the end of October 2003 to 1204 at the end of February 2004. The biggest increases were in France (around 90 new CoC certificates) and Switzerland (CoC custody certificates rising from zero to 82 in only 4 months). Significant numbers of new certificates were also issued in Austria, Czech Republic, and the UK during this period. In addition, the first CoC certificates were issued in Japan and the Netherlands.

Table 1 PEFC Certified forest area and CoC certificates on 31 January 2004

	Certified forest area hectares	Number of C-O-C certificates
Austria	3 924 000	243
Belgium	164 450	7
Czech Republic	1 911 210	59
Denmark	7 444	0
Finland	22 298 165	76
France	2 977 058	307
Germany	6 781 186	341
Italy	0	2
Japan	0	1
Latvia	25 696	13
Netherlands	0	2
Norway	9 194 000	5
Spain	87 898	2
Sweden	4 756 624	42
Switzerland	245 497	82
UK	9 125	22
Total	52 337 454	1204

1.1.2 PEFC to draft international CoC standard

PEFC agreed at their General Assembly in November 2002 that an international Chain of Custody document should be developed. Since then, PEFC has supported and continues to support a joint project by the Confederation of European Paper Industries (CEPI) and CEI Bois (representing European wood working industry) to develop an international Chain of Custody standard.

However, at its meeting in January 2004, the PEFC Board of Directors took the view that the PEFC Council should run a parallel and supporting initiative to ensure that an international chain of custody standard is ready for the General Assembly in Chile on 29th October 2004. PEFC intends *“to work intensively to help bring the two complementary processes together to achieve the desired result of one generic international chain of custody.”*

To this end the PEFC Council has started to develop a framework document outlining all the basic principles, scope and structure of the documentation required, which need to be agreed upon before a draft international chain of custody standard can be produced. It is envisaged that the first draft of the international chain of custody will be available for public consultation in Spring.

1.1.3 PEFC and GMOs

The use of Genetically Modified Organisms (GMOs) in certified wood products has become an issue in Germany. Recent marketing efforts by PEFC Germany have focused on the scheme's "GM Free" status. This reflects widespread German consumer concern over the use of Genetically Modified crops. In January, this concern prompted the German Federal Minister of Consumer Protection, Renate Künast, to call for a new consumer label to be developed to provide assurance that products are *“free of genetic engineering”*.

The PEFC international forestry guidelines, which draw on the Pan European Guidelines agreed by the Ministerial Conferences on the Protection of Forests in Europe, require the usage of trees *“whose impacts on the ecosystem and on the genetic integrity of native species and local provenances have been evaluated, and if negative impacts can be avoided or minimised.”* However the German PEFC standards go further than this and explicitly prohibit the use of genetically modified organisms. According to PEFC Germany *“the increase of PEFC certified forests in Germany (currently two thirds of the total forest area in Germany) is a step towards biological safety, too.”*

Banning the use of GMOs was not a difficult choice for PEFC Germany. They note that *“In comparison with agricultural cultivated plants, transgenic forest plants play a minor role at the moment....it will take between 10 and 20 years until research and development are able to produce the first genetically modified trees that can be imported into the European Market.”*

1.1.4 PEFC national developments

1.1.4.1 Italy

Independent consultants, Indufor Oy, have been appointed and are carrying out an assessment of the Italian Forest Certification scheme against the requirements for PEFC endorsement.

1.1.4.2 Chile

The Chilean Forest Certification Scheme, Certfor Chile, is beginning its PEFC assessment process with a public consultation period, which closes 21 April 2004. Independent consultants Indufor Oy will be preparing the assessment report. The PEFC Council has invited interested parties to participate in the assessment process by viewing the scheme on the pefc website <http://www.pefc.org> and sending their comments directly to the consultant.

More information is available from Indufor Oy e-mail: Indufor@indufor.fi, <http://www.indufor.oy>.

1.1.4.3 Australia

Competitive tenders have been submitted for the assessment of the Australian Forest Standard Ltd scheme and an announcement of the independent consultants appointed to undertake the assessments is expected shortly.

1.1.4.4 Portugal

The Portuguese Forest Certification Scheme has been submitted for endorsement and PEFC are currently awaiting tenders from independent consultants to undertake the work involved in the assessment.

1.1.4.5 Slovenia

PEFC continues to extend its influence in Eastern Europe. On 14th January the Slovenian Chamber for Agriculture and Forestry hosted a seminar on Slovenian forestry certification. The main topic was implementation of PEFC and its potential benefits to Slovenian forestry. Several Slovenian forest certification specialists and representatives from PEFC Austria were present among 100 participants. These included representatives of forestry enterprises, wood based industries, politicians and environmental organizations. Ben Gunneberg, PEFC Secretary General gave a presentation on the PEFC system. The event was covered by national TV, radio and newspapers.

1.1.5 PEFC marketing in Asia

The PEFC has established an "Asia Promotions Initiative" which opened an office in Tokyo on 1st November 2003. PEFC Asia Promotions is independent of the PEFC Council. Its members are companies specifically engaged in the PR and promotion of PEFC certification and its logo and brand in the Asian market, concentrating initially on the Japanese market. The office is headed by Mr Haruyoshi Takeuchi who previously worked for the Australian Trade Commission in Tokyo. The PEFC Asia Promotions initiative is currently sponsored by the National Association of Forest Industry, which represents Australia's forest industry. However, considering its nature as a PEFC promotion entity, it intends to expand its membership network.

1.1.6 PEFC Conference for ENGOS

PEFC France and France Nature Environnement (FNE, the main umbrella organisation to protect the environment in France, representing over 3,000 associations), in partnership with the PEFC Council, are organising an ENGO symposium in France on May 17th and 18th, 2004 for ENGOS that support or show interest in the PEFC approach to sustainable forest management certification. The purpose of the symposium is two-fold: (1) for ENGOS to exchange views about their engagement with regards to the PEFC system; and (2) to investigate the possibility of creating a network of these ENGOS to facilitate the expression of their views at an international level.

1.2 Forest Stewardship Council

1.2.1 Certified forest area

The latest data on FSC certified area indicates that it had reached 40.4 million hectares by 5 January 2004. This is an increase of around 400,000 hectares compared to the end of November 2003. Throughout the whole of 2003, FSC certified area increased by around 6.4 million hectares. Of this area, around 4 million hectares were in North America - mainly the Canadian forest holdings of Tembec and Nippissing Forest Management Inc., and 1 million hectares comprised an area of "model" forest in Western Russia.

1.2.2 Accreditation process

In a move designed to improve the integrity of the FSC certification process, the FSC has been undertaking a major review of its procedures for accreditation of certification bodies. These procedures are designed to ensure that certification bodies are independent and competent. Existing procedures, as set out in the FSC Accreditation Manual (1998) fall short of full conformance with internationally recognised norms as established in ISO Guides.

For example, as currently constituted, FSC performs a dual role both to develop certification standards and accreditation. This is contrary to ISO Guide 61 for accreditation bodies which states that, in order to avoid conflicts of interest, these bodies should play no role in the development of standards. In addition, the majority of FSC forest management certificates have been issued against so-called "interim" standards that are developed by the FSC certification bodies, rather than against national or regional forestry standards developed by FSC Working Groups. The procedures established in the existing FSC Accreditation manual (1998) for the development of these "interim" standards fall short of requirements for standards-setting established in ISO Guide 59 which sets out an internationally-recognised Code of Good Practice for Standardisation

FSC is now taking steps to improve compatibility with the requirements of relevant ISO/IEC standards. According to FSC *"incorporating the requirements of ISO/IEC standards will help the whole FSC system demonstrate its compliance with international trade regulations, and will reassure governments and businesses who want to adopt FSC standards as the basis for their own procurement policies or internal procedures."*

In order to improve conformance with ISO Guide 61, FSC has divided the accreditation and standards-setting processes internally through the establishment of a separate Accreditation Business Unit and Policy and Standards Unit. It has also stated it's intention of establishing the FSC Accreditation Business Unit as an entirely independent organisation during 2004.

In order to improve conformance with ISO Guide 59, FSC has drafted a new Accreditation Standard covering the development of "interim" standards by certification bodies. The new draft standard - entitled "Local adaptation of certification body generic forest stewardship standards" – sets out to formalise and improve the certification bodies' stakeholder consultation procedures during the development of interim forestry standards. It also establishes ground rules concerning the links between "interim standards" developed by certification bodies and draft national/regional standards developed by FSC Working Groups.

In addition, the new Accreditation Standards incorporate approved motions from the 2002 General Assembly and recommendations from the SLIMF (Small and/or Low Intensity Managed Forests) initiative.

Members of the FSC Board of Directors, FSC staff and certification body representatives provided input and comments on the new set of Forest Stewardship Council Accreditation Standards during a meeting on January 29th in Bonn, Germany. The final drafts will be submitted to the FSC Board of Directors for consideration at its meeting in the first week of March. Copies of the draft standards are available from Jane Stewart at jstewart@fscoax.org

1.2.3 Chain of custody procedures

The FSC is proceeding with pilot tests of it's new chain of custody certification procedures for solid wood products. The new procedures are designed to allow a greater volume of FSC certified wood raw material to reach the market as labeled product. They represent a shift from the existing "minimum average %" system to a "%-input/%-output system". The new procedures are controversial within the FSC membership because they remove the requirement that a minimum 70% by volume of FSC-labelled solid wood products must derive from FSC certified forests.

Under the new system, a sawmill with a CoC certificate can label an equivalent volume of sawn timber (finished product) as the volume of FSC certified logs (raw material) it processes, providing at least 10% of the logs are from FSC certified forests. The contrast between the current system and new system is best illustrated with a couple of examples.

Example 1:

- A sawmill processes 10 000m³ of logs during the month of September. 6000m³ of the logs are from FSC certified forests (i.e. 60% of the input is certified).
- Current rules (70% minimum threshold): The sawmill is not allowed to label and sell any product as FSC certified, because the input is less than 70%.
- Draft new rules (% input-% output): The sawmill is allowed to label and sell a corresponding 60% of its output as FSC certified material.

Example 2:

- A sawmill processes 10 000m³ of logs during the month of September. 7000m³ of the logs are from FSC certified forests (i.e. 70% of the input is certified).
- Current rules (70% minimum threshold): The sawmill is allowed to label and sell the full 10000m³ of product as FSC certified, with 70% on the label.
- Draft new rules (% input-% output): The sawmill is allowed to label and sell a corresponding 70% of its output as FSC certified material.

The implication of the new system is that it weakens the direct physical link between forest and certified product. FSC recognize this problem and therefore intend to provide a two-level labeling hierarchy:

- Suppliers may offer a Premium Forestry label for products made from 100% FSC certified material. This would be the highest standard, and provide a reward and incentive for producers of 100% FSC content products.
- Or they may offer a Verified Forestry label (solid wood products) or Verified Blend (assembled products, chip & fibre products, products containing recycled material). These labels recognise products made from material that is controlled and acceptable but less than 100% FSC certified.

Companies using the "Verified" labels, must make a self-declaration to a policy and procedures for excluding controversial sources of material from their FSC product lines. This policy would commit the company to excluding from FSC product lines illegal wood, wood from uncertified high conservation value forests, genetically modified wood, and wood from areas of high social conflict.

Fifteen FSC certified companies are currently participating in the pilot tests of the new standards. FSC report a number of positive findings including improved monitoring systems for eliminating controversial wood; and an increase in FSC labeled wood in the market. In Sweden, a pilot test company has developed tighter monitoring systems for eliminating controversial wood from their timber supply. This system is designed to strengthen monitoring of wood from Russia and the Baltics. According to FSC, this same company is now able to supply 100% of its certified FSC products to Home Depot with the FSC trademarks (before the pilot, only 5% of its certified products could carry the FSC label).

FSC is also pilot-testing a new draft chip & fibre standard (FSC-STD-40-001). Unlike the current standard, the draft standard allows FSC labeling of products containing up to 100% post-consumer recycled content. Currently, products with up to 82.5% recycled material can use the FSC trademarks. However, products that contain more than this cannot be labelled as FSC. According to FSC *"this has created a situation where people must choose between a high level of recycled content and an FSC labelled product. This conflicts with FSC's overall goal of improved global forest management.... By labeling 100% post-consumer fibre with the FSC trademark, we are opening new opportunities for recognizing the role of recycling in responsible forest resource use."*

The current draft standards are open for review and comment until March 2004.

1.2.4 Protecting brand integrity

FSC is stepping up its trademark protection activities during the European summer months in response to concerns of possible fraudulent and misleading use of its trademark in the garden furniture sector. FSC note that the rising value of the market for FSC labeled products “*will increase the temptation for unethical traders to attempt to 'free ride' on the system*”. The move came after a meeting to discuss potential threats to the integrity of the FSC system over the coming European garden furniture season. This meeting involved the FSC secretariat; FSC certified producers including Precious Woods and ScanCom; retailers including JYSK Group/Dänisches Bettenlager and OBI; and the Swiss-based Tropical Forest Trust (TFT)

As a result of the meeting, FSC has established a fund to support a special Trademark protection project. FSC is expecting to build this fund through corporate contributions from the garden furniture sector in the lead-up to this year's season. The fund will be used to create rapid response systems to deal with reports of trademark abuse. This will include a telephone hotline as well as an internet-based reporting system. FSC's existing network of trademark agents will receive additional support by way of training and resources. Legal action will be taken where appropriate. Briefings will be provided to consumers, consumer organisations, market partners and non-government organisations interested in forest issues so their members can alert FSC if they notice stores or products where the trademark may be being misused.

A major target of FSC brand protection activity is likely to be Vietnam and China which have become increasingly important as suppliers of garden furniture to the European retailer sector. Better quality garden furniture is manufactured from teak, with lower quality furniture comprising species such as red balau and keruing from natural forests in Asia and various eucalyptus species from plantations in South Africa. While some Vietnamese and Chinese manufacturers have gone to great lengths to conform with FSC requirements, problems of supply of suitable FSC certified timbers have emerged in recent times, particularly due to the removal of the Indonesian teak plantations from the FSC list in October 2001. This has led to concerns that some manufacturers have been tempted to abuse the system.

This year FSC will also begin to develop a system of retailer registration so that retailers committed to purchasing FSC-certified products can gain recognition from consumers and from environmental and social activists. In return, these retailers will be expected to adhere to FSC standards for use of its trademark and commit to ensuring traceability of products labeled as FSC certified.

1.2.5 SMILF initiative

FSC has now launched its new requirements for small and low intensity managed forests (SMILF) seeking FSC forest certification. These requirements enable eligible forests to be evaluated for FSC certification under a modified set of procedures. FSC believe that with these these new procedures, a wider range of managers will be able to participate in FSC certification.

The SLIMF policy for small and low intensity managed forest operations was approved with some modifications by the FSC Board of Directors during its 30th meeting held on November 20-22, 2003 in Bonn, Germany. The new procedures for small-scale forest owners, non-timber forest product producers and forest operations practicing low-level harvesting, streamline the technical requirements for FSC certification assessment. These include sampling levels that better reflect the size and management activities of the operation; greater emphasis on local rather than national stakeholder consultation; and a reduction in the number of required peer reviews.

More information on the new procedures is available at: www.fscoax.org/slimf

1.2.6 Breakdown in Swedish FSC negotiations

Reports are emerging of a breakdown in negotiations between the environmental movement and the forest corporations within the FSC Sweden National Working Group. The Group is in the process of reviewing the national standard originally agreed in 1997. According to a February report in ATL, Sweden's agricultural business journal, the breakdown followed efforts by the environmental movement to introduce tougher environmental and social criteria into the revised standard. Apparently the green groups are threatening to resign from the Group.

The ATL report quotes Åke Persson, chairman of Sweden's Association of Ornithologists, as saying: *"the credibility of the system is low. We want to stand by FSC, but today it is questionable since the standard is so loosely written and the deficiencies so great that our members in the forest do not believe in it"*.

In the background there is a lingering conflict in Valvträsk in the county of Norrbotten, where the local chapter of the Association for Nature Conservation is taking issue with FSC over their decision to approve harvesting operations by Sveaskog in the region.

The environmental movement is also demanding tougher rules in the way corporations calculate voluntary set asides. For example, SCA has already protected 100,000 hectares of forest land voluntarily with a value of around one billion SEK (about \$140 million). That is 5% of SCAs total forest area and therefore in accordance with the existing FSC standard. However, the National Board for Environmental Protection now wants to buy parts of these set-asides to establish permanent nature reserves. This will mean the areas will no longer be attributed to SCA as voluntary set-asides. Therefore, the environmental movement wants to force SCA to set aside a further area of productive forest land so that it again achieves the 5% threshold. The corporations argue that this interpretation of the standard is unacceptable.

Stefan Wirtén director at the Swedish Forest Industries Federation is quoted in the ATL report: *"The standard we have agreed on since 1997 is probably the most ambitious in the world and we are not prepared to make further commitments."*

The ATL report concludes: *"The environmental movement is torn between their members demands and the reluctance of the corporations to make the rules tougher. If the conflict cannot be solved the whole agreement may collapse....Several of the corporations have got double certification through PEFC and thus positioned themselves to change system, which would be the death blow to FSC in Sweden."*

1.3 Certification wars reignite

FERN, the European environmental group, has published a comparative report on forest certification schemes, Footprints in the Forest. This is a follow-up to the 2001 report "Behind the logo". A brief review indicates the new report sets with the sole intention of proving the superiority of FSC. While coming down heavily on non-FSC schemes, it shies away from scrutinizing too closely potential weaknesses within FSC. This leads to some internal contradictions. For example, on the one hand it scores FSC highly on the grounds that it *"demands equal participation of ecological, social and economic interests in the standard-setting process."* On the other hand it notes that *"in many countries FSC certification has proceeded using generic standards developed by certification bodies based on the FSC Principles and Criteria."* It does not stop to consider that the majority of FSC certificates have been issued against generic standards, and that the procedures for development of these standards do not require *"equal participation of ecological, social and economic interests."*

As in previous FERN reports, this report makes much of the "performance requirements" of FSC as opposed to the "management systems requirements" of other schemes.

In addition to this one-sided analysis, the document includes some potentially significant statements of environmentalist policy with regard to other aspects of forest certification. It

seeks to drive a wedge between large industry groups and small forest owners participating in PEFC, noting that the involvement of schemes like the Australian Forestry Standard and the Brazilian Certfor in PEFC is *“a peculiar development as PEFC was originally created to meet the demands of the small forest owners. If this situation continues, the founding intention of the creation of the PEFC will undoubtedly be undermined by big industry – the most obvious beneficiary from mutual recognition.”*

The document suggests that environmental groups are unlikely to support step-wise approaches to certification in the tropics noting that *“NGOs are likely to have difficulty publicly acknowledging forest managers who adopt lower performance standards under a step-wise approach.”* And it suggests that forest certification schemes are not capable of providing assurance of legality, mainly due to their growing reliance on %-based systems of chain of custody. It therefore suggests that discussions of legality verification should be decoupled from discussions on forest certification.

Immediately following publication of the FERN report, WWF issued a press release signalling a renewed determination to maintain their FSC-only policy. WWF claimed that *“greenwashing and misuse of forest certification could destroy one of the most effective tools for forest conservation in the world.”* WWF called on *“companies and forest stakeholders to continue serious engagement for credible forest certification instead of seeking an alibi for forest destruction and business as usual.”* WWF suggest that FSC is the *“only scheme credible enough to carry a consumer label”*. PEFC is criticised because it *“uses one label for all its schemes although there is huge variability between some countries and in some there are no environmental performance requirements at all: certification happens over night. Recently with PEFC having become an umbrella organisation for weak and controversial schemes in the tropics the label means really nothing”*.

On 1 March, PEFC issued a lengthy rebuttal to the report, countering the numerous criticisms levelled against the scheme by FERN. PEFC conclude: *“the updated FERN report fails again to contribute objectively to the debate. It is a pity that its obvious enthusiasm displayed by the authors is not matched by an equivalent technical and professional competency. Rather the report appears to deliberately muddy the waters and is counterproductive at a time when most other stakeholders are calling for a constructive dialogue so that forest certification can become a positive tool in the promotion of wood from sustainably managed forests that it should be.”*

1.4 MTCC criticised

In a similar vein to FERN, Greenpeace has embarked on a campaign to discredit the Malaysian Timber Certification Council. In January 2004, they published a paper *“Malaysian Timber Certification Council - Sustainable Certification Imposters”* claiming that the MTCC certification system did not adequately reflect the views of indigenous people and ENGOs. The Greenpeace campaign follows recent progress by MTCC to expand the area of certified forests.

The Greenpeace paper states that *“Several community-based indigenous groups, social and environmental NGOs were invited to participate in the process to improve the developing the MTCC scheme with the goal of achieving FSC accreditation”*. However in July 2001, the indigenous organisations and most NGOs withdrew from the process. Their withdrawal reflected dissatisfaction that the process did not move quickly enough to adopt the FSC standards and working practices. The NGOs *“realised their continued involvement would only serve to legitimise MTCC ‘multistakeholder’ process. Subsequently, no FSC working group was formed and co-operation between FSC and MTCC collapsed.”*

MTCC responded to the campaign with a statement expressing regret over the action taken by Greenpeace International. MTCC said it had facilitated two nationwide consultations, which served as standard-setting processes in developing forest management standards since it first operated in 1999.

It said that the first consultation in 1999 used the Criteria and Indicators of the International Tropical Timber Organisation (ITTO) as the framework for the forest management standard, while the second consultation in 2002 used the Principles and Criteria (P&C) of the forest Stewardship Council (FSC) as the framework.

"Although the social and environmental non-governmental organisations (NGOs) cited by Greenpeace raised some issues and concerns at the first national-level consultation in October 1999, they, nevertheless, supported the concept and implementation of certification," the MTCC said.

It added that the second consultation process took place under the multi-stakeholder National Steering Committee (NSC) formed in early 2001 following an FSC-MTCC workshop of forest certification in December 2000.

"However, the same group of social and environmental NGOs withdrew from the NSC-led process in July 2001 as they were not satisfied with the MTCC's response to certain 'demands' some of which required amendments to the State laws," said the MTCC.

It said that other demands that could be included in the certification standard should first be discussed with other stakeholder representatives as part of the NSC process.

The MTCC also stressed that despite their withdrawal, the door was kept open to these NGOs, who were kept informed of the progress of the NSC's work and were also invited to regional as well as national-level consultations.

The MTCC said the phased approach it used in the implementation of timber certification had been recognised as a practical way to assist forest managers to make progress towards sustainable forest management and its certification, especially for tropical forests.

2. International Agreements and Institutions

2.1 European Union

2.1.1 FLEGT

The Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan has now been approved by the European Council of Ministers and by relevant committees in the European Parliament.

The EU Parliamentary Industry and Trade Committee (ITRE) delivered its opinion on the Action Plan on 19 January 2004. It welcomed the Commission's Action Plan and suggested that the proposed measures do not go far enough. The committee argued that new legislation to tackle the trade in illegally-sourced timber is needed. ITRE also dismissed concerns that such measures would be incompatible with WTO rules. The Committee requested the Commission to draft legislation that would prohibit the importing and marketing of all illegally-sourced timber and forest products, and to report back to both the Council and the European Parliament by June 2004. Finally, the Committee called on the Commission to take particular care in the use of the terms 'legal' and 'illegal' when making recommendations, and in particular to avoid unjustly implicating the innocent by the imprecise use of the word illegal. The Committee has submitted its opinion to the Council and the Commission.

The main focus of the regulations now being prepared by the European Commission will be to provide a framework for wood supplying countries to enter into voluntary bilateral agreement with the European Union. The intention is for the EU to support the development of independent "legality licensing procedures" in countries where illegal logging is currently a problem.

Contacts with EU officials suggest that major targets for establishment of early bilateral agreements will be Indonesia, Malaysia, Ghana and the Congo Basin (which may be considered as a block).

Meanwhile, one significant short-coming of the legality-licensing system has emerged. The existing E.C. definition of "timber" to be covered under bilateral agreements includes only round logs and rough sawn lumber. As things stand, these agreements would not even accommodate plywood from Indonesia.

In another development, the Dutch parliament has adopted a resolution calling on its government to make a ban on the import of illegally sourced timber one of the aims of its EU presidency, due to start in July 2004. The parliament also asked to be informed on the content and procedures for the presidency preparations in relation to illegal logging.

2.1.2 Eco-label on furniture

A very poor set of ecolabelling criteria for furniture was rejected by the EU Ecolabelling Board in early December 2003. CEI-Bois, the European woodworking association which led industry lobbying on this issue, had complained vigorously that the criteria discriminated against wood, included unrealistic requirements for certified wood content, and favoured FSC without any objective appraisal of the merits of different certification schemes. CEI-Bois argued that the text would be unworkable for smaller companies. While CEI-Bois have welcomed the Eco-labelling Board's dismissal of the existing text, they are concerned that the future of the furniture eco-label will now be considered behind closed doors higher up the European Commission hierarchy.

2.1.3 EU Procurement Directive adopted

On 29 January the European Parliament adopted the new EU Directive on public procurement. Member states have now 21 months to bring their domestic legislation in line with the new EU Directive. The Directive was hailed by some, but others, notably the Green MEPs, criticized the legislation. Their recommendations that there should be provisions enabling social and environmental factors to be taken into account to a greater extent were not accepted by the European Council. The new Procurement Directive is therefore not expected to significantly change current market practice on these issues.

Existing EU public procurement practice on social and environmental issues is detailed in the Interpretative Communication on Integrating Social Considerations into Public Procurement and the Interpretative Communication on Public Procurement and the Environment.

2.2 Convention on Biodiversity

The 187 member states of the Convention on Biological Diversity (CBD) concluded a two-week meeting in Kuala Lumpur on 20 February 2004. Reports from the meeting suggest it's major achievement was to agree on a more quantitative approach to reducing the rate of biodiversity loss by the end of the decade. The agreement puts flesh on the bones of the target to "reduce significantly the rate of biodiversity loss by 2010" originally endorsed in 2002 at the previous CBD conference and by the World Summit on Sustainable Development in Johannesburg. Parties to the CBD adopted measurable indicators and specific goals to be achieved by the year 2010.

The sub-targets agreed in Kuala Lumpur include conserving at least 10% of each type of ecosystem, protecting those areas that have a particular importance for biodiversity, stabilizing populations of certain species now in decline and ensuring that no species of wild flora or fauna are endangered by international trade.

Biodiversity is notoriously difficult to quantify – for example while some 1.75 million species of all kinds have been scientifically described, highly uncertain estimates suggest the real total could be 14 million. Estimates of the global extinction rate for species also vary widely.

Parties to CBD are being encouraged to identify indicators that lend themselves to accurate measurement. Examples include the acreage of forests under sustainable management, the numbers of invasive alien species and the related economic costs, and the degree to which related ecosystems are connected or fragmented. The sub-targets will be pursued through the Convention's various work programs.

Parties to the Convention agreed a work program specifically on forest biological diversity at the Kuala Lumpur meeting. The program encourages incorporation of relevant forestry indicators into biodiversity protection programs; greater regional-level cooperation to protect forest bio-diversity; and improved collaboration and integration with other sectors. Parties to the Convention also requested that the CBD Secretariat develop outcome-oriented targets for protection of forest biodiversity to be integrated into the work program. The Secretariat was also asked to continue to collaborate with other members of the Collaborative Partnership on Forests; and to facilitate the full and effective participation of indigenous and local communities and other relevant stakeholders.

The Seventh Session of the Conference of the Parties (COP 7) to the Convention on Biological Diversity was attended by some 2,000 participants, including 80 ministers. COP 8 will be held in Brazil in 2006.

3. National forest policy

3.1 Indonesia vs Malaysia (round 2)

A report by the London-based Environmental Investigation Agency (EIA), the Environmental Investigation Agency and Telapak of Indonesia on timber smuggling between Indonesia and Malaysia has sparked a new diplomatic row between the two countries.

In the report "*Profiting from Plunder: How Malaysia Smuggles Endangered Wood*", EIA claim that Malaysian companies are working with Indonesian smugglers to re-export logs, particularly of ramin. Trade in ramin from Indonesia is controlled under CITES Appendix III. Malaysian shippers are accused of illegally importing ramin from Indonesia and exporting as Malaysian product which is not subject to CITES controls. Furthermore, EIA claim that Malaysian officials have provided false CITES documentation and have "*knowingly allowed*" the issuing of false certificates of origin from Malaysia to "*launder*" illegal ramin from Indonesia.

EIA particularly focused on legal loop holes governing the trade in wood through the Free Trade Zones (FTZ) in Malaysia. Under current laws, Malaysian Timber Industry Board (MTIB) officials do not have the jurisdiction to enter and inspect the activities of the FTZ. EIA called for a ban on the trade in ramin for a year to allow for amendment of the FTZ law.

In various statements in recent weeks, officials from the Malaysian Ministry for Primary Industries have firmly rebutted the EIA allegations and dismissed calls for a moratorium on the trade in Malaysian ramin. The Malaysian Minister has himself directly criticised Telapak and EIA, stating that "*they ought to do something about the so-called ramin king Jambi Lee, the Indonesian trader who allegedly controls the illegal ramin trade.*" The Minister has also reiterated his criticism of the Indonesian authorities, particularly the call by Indonesian Forestry Minister for the European Union to ban imports of Malaysian timber.

Recent press statements issued by the Malaysian Ministry for Primary Industries stress the actions that have already been taken to stem the illegal timber trade with Indonesia, including the introduction of bans on the import of Indonesian logs and square logs from June 2002 and June 2003 respectively. These statements note that "*despite the bans, traders from Indonesia continue to bring logs and square logs to Malaysia.*" Last year, the Malaysian authorities intercepted 40 loads entering Peninsular Malaysia, 48 entering Sabah and 32 entering Sarawak. Malaysian officials claim that the illegal logs are not brought in by timber

companies but by small local traders who have been barter- trading with Indonesia for years. Malaysian officials are concerned that their exports of legal ramin derived from Malaysian forests – which they claim amount to around 40,000 m³ - may now be in jeopardy.

Malaysian officials have said they are prepared to work with the Indonesian authorities to put a stop to the smuggling of ramin timber. The Malaysian Customs Department will also investigate the allegations that Malaysian companies are re-exporting the ramin timber and that action will be taken against those found to be involved.

3.2 Vietnam

The T&E Technical Consultant attended the American Hardwood Export Council's 8th Annual South East Asia and greater China Convention in Ho Chi Minh City in early December. More than 300 representatives from the US, Southeast Asian countries and China had gathered to discuss opportunities for American hardwood in the South-east Asian and Chinese markets. The visit gave an insight in the potential of the Vietnamese market for U.S. hardwood products. It also raised concerns about the environmental credentials of some of Vietnam's existing tropical wood products suppliers. A full report is attached.

3.3. Congo Basin

3.3.1 Management planning process

A clearer picture of the status of forest management in the Congo Basin emerged at the recent ATIBT General Assembly held in Athens. A report by Dr Cassagne, who is Director of Forest Resource Management for the Paris-based tropical timber association, notes that the seven countries of the Congo Basin cover around 500 million hectares. Of this figure an area of roughly 140 million hectares are forested. Around 80% of this is considered suitable for timber production. Of this area around 50 million hectares are under some form of concession. And of this area, around 15 million hectares are engaged in a process to develop forest management plans. Dr Cassagne suggested that a target of 20-25 million hectares covered by these plans by the end of 2004 was attainable.

The move towards development and implementation of sustainable management plans has been led by some of the holders of large commercial concessions. It has been driven by various factors including growing political pressure to implement sustainable practices; increased demand for wood from well managed sources; new regulations imposed by producing countries – often under pressure from large donors; and the increased scarcity of productive forest territory. ATIBT has been heavily engaged in developing formal guidance and procedures for the implementation of forest management plans relevant the region.

The initial heavy investment phase of the management planning process generally takes between 2 and 4 years. Of the 15 million hectares currently engaged in the management planning process, around 2.5 million hectares have completed, have deposited, or are implementing their management plans. Around 6 million hectares are currently involved in the "elaboration phase". The remaining 6.5 million hectares are involved in the "preparatory study and interior reflection phase" of the process and are soon to move on to the "elaboration phase".

At present much of the area covered by management plans is concentrated in Gabon, Central African Republic and Congo-Brazzaville. In these three countries, operators managing more than 50% of the surface area of concessions are now engaged in the process. In Cameroon this figure is around 40% (2 million has. out of a total of 5 million has. of exploitable concessions).

The Democratic Republic of the Congo contains around 20 million hectares of attributed concession, none of which is yet engaged in the management planning process. Indeed, the majority of this area has not yet been reopened following the end of armed conflict. Nevertheless, several operators in DRC intend to become engaged as soon as conditions allow.

Dr Cassagne concluded “*we are witnessing the creation of a veritable network of forest concessions engaged in the management planning process throughout the region which are complementing the network of protected zones.*”

3.3.2 New monitoring system

A range of industry, environmental and donor interests have combined to endorse a new project designed to provide public access to reliable information on central African producers’ progress towards sustainable forestry. This will be achieved by creating a long-term forest concession reporting and information system. The project aims both to help satisfy consumer demand for more information on the sources of wood products, and improve forest governance in the Congo basin.

The project is a joint effort of the World Resources Institute (WRI), the Inter-African Forest Industry Association (IFIA), the International Union for the Conservation of Nature (IUCN), and the WWF. It is being jointly funded by the World Bank, and the German and United States governments.

In announcing the project, the organizers note “it is not a certification project, but simply an instrument to measure and document trends in compliance and non-compliance of progressive logging companies with forest legislation and their voluntary commitments to better management.”

The project builds on the existing IFIA Code of Conduct because it already has significant membership within the region, particularly amongst the large European companies operating concessions. The IFIA Code commits these companies to manage and utilize tropical forest according to sustainability principles as defined through national forest policy and at international level (for example ITTO and ATO). Signatories are required to respect all relevant national laws, including those respecting to taxation, and to implement a sustainable forest management plan. If the signatory works with a sub-contractor, they must make every possible effort to assure that the sub-contractor also respect legislation. Signatories must respect the rights of local communities. They must be attentive to the impact of hunting, and should develop and enforce internal forest company regulations forbidding their employees from poaching and hunting for profit. In the same manner, signatories are committed to persuading their forest subcontractors and haulers to follow suit. Signatories must also elaborate wildlife management plans.

The first step in implementing this new project will be to identify the most appropriate indicators and verifiers for the IFIA Code of Conduct. While building on the IFIA Code, the proposed compliance monitoring system will not necessarily be limited to this Code and may build on other relevant efforts. The criteria and indicators will be developed with cross reference to various other programs (e.g. ITTO, Keurhout and FSC) and following negotiations with stakeholders.

The monitoring mechanism is expected to link the development of digital Geographic Information Systems and the use of satellite imagery with independent third party spot checks in the field. The results will be published on the Global Forest Watch website and will identify which companies manage their concessions better than the average. The website will also document progress made by each company to improve compliance with forest legislation and other voluntary commitments.

4 National timber procurement policy

4.1 United Kingdom

4.1.1 Government timber procurement

In line with their strategy to ensure all wood used in central government contracts derives from “legal and sustainable” sources, the UK government issued an Interim Guidance document on environmental timber procurement in January. The need for an Interim Guidance has arisen due to the lengthy delays that the Department for Food, Environment and Rural Affairs (DEFRA) has experienced in securing funding for the Central Point of Expertise on Timber (CPET).

The Interim Guidance has been widely criticised by trade interests in the UK. It bears all the hallmarks of being prepared in a hurry as a stop-gap measure. Much of the more rational and considered work commissioned from ERM, a London-based consultancy, during the development phase of the UK government’s procurement strategy in 2002 seems to have been ignored during its preparation. The Guidance is badly organized, and contains misconceptions regarding the nature of ISO Guides and forest certification. It makes a reference to outdated FSC requirements that labeled wood products must achieve 70% minimum threshold of certified content. The Guidance also makes statements comparing the “robust” nature of FSC certification with the “variable” nature of other forms of forest certification. By doing so, the Guidance seems to contradict earlier DEFRA advice that government procurement officials should avoid recommending particular brands of certification in order to conform with EU and WTO trade rules.

DEFRA have acknowledged that the Interim Guidance has weaknesses, and have intimated they will accept comments. They are also hopeful that the interim document will soon be superseded by something more comprehensive issued by the CPET.

Reading between the lines, DEFRA is evidently having problems reconciling demands from leading political figures to ensure wood derives from “legal and sustainable” sources, with the strait-jacket imposed by E.U. and WTO procurement rules and the complexities of the wood supply chain. DEFRA desperately need the technical support of the proposed CPET. However even now, following several announcements that establishment of CPET is imminent, there are doubts about the willingness of the U.K. government to provide funding.

Recent reports indicate that CPET, when and if established, would comprise an externally commissioned independent organization to be supported by a very small Steering Group. DEFRA would prefer membership of this latter group to extend only to DEFRA, the Timber Trade Federation (representing all trade interests), and WWF (representing all NGO interests). The first task of CPET would be to develop a set of criteria for assessing which forest certification schemes meet government “legal and sustainable” objectives. Schemes would then be assessed against these criteria and the results made available on a website. There would be no ranking of schemes; they would either pass or fail.

4.1.2 BREEAM/Ecohomes

Discussions are continuing over the forms of forest certification that will be credited under the UK Building Research Establishment’s Environmental Assessment Method (BREEAM) and associated Ecohomes scheme.

BREEAM assesses the environmental performance of buildings. It awards environmental credits for a wide range of criteria – including energy use, health and well-being, pollution, transport and materials. A set of environmental weightings then enables the credits to be added together to produce a single overall score. The building is then rated on a scale of PASS, GOOD, VERY GOOD or EXCELLENT, and a certificate awarded that can be used for promotional purposes. BREEAM covers a range of building types including offices, industrial units, retail; units and homes. The homes segment of the program is known as EcoHomes.

All buildings constructed with public money in the UK are currently subject to BREEAM. The program is voluntary for private sector construction. However a growing number of construction companies are being encouraged to implement BREEAM for private sector construction in return for grants derived from the Challenge Fund. This is a £300 million fund

established by the Office of the UK's Deputy Prime Minister to encourage sustainable development in the private sector.

The BREEAM methodology is favorable to wood. Credits are awarded for the use of wood in recognition of its superior inherent environmental credentials, irrespective of whether or not it is certified from legal or sustainable sources. Additional "bonus" credits are also available for certified wood. In total, credits for timber may account for up to around 5% of the total credits awarded for a building.

The latest BREEAM standard (prepared in November 2003) on forest certification gives credits for FSC and PEFC forest certification schemes only, with PEFC having to offer a higher percentage of certified material than FSC to achieve the same level of credit. BRE's reasons for giving a lower level of credit to PEFC compared to FSC is stated as "*PEFC certification in each country is based on a National Forest Certification Scheme which can vary from one country to the next. Since differences exist between the FSC forest management standards and some National Forest Certification Schemes, a higher percentage of timber is required to achieve the credits.*" The documentation states "*other independently certified schemes will be allowed if it can be shown that they are the equivalent of FSC and PEFC*".

The rationale behind the awarding of points to different forest schemes under BREEAM has been the subject of criticism by forest sector interests. The current standard calls for schemes to demonstrate "equivalence" with either PEFC or FSC, but it does not make clear the criteria for establishing "equivalence". The reasons for awarding a higher level of points to FSC compared to PEFC – based on PEFC being more "variable" than FSC – seem inadequate and misrepresent both schemes. BRE's relative assessment of the PEFC and FSC schemes seems to draw on only limited direct contact with the schemes and on associated publicity.

PEFC representatives have met with BRE on at least two occasions questioning the pro-FSC bias in the standard which they claim is based more on subjective opinion than on rigorous scientific analysis. PEFC representatives that attended the latest meeting with BRE in late February, report that BRE acknowledged there are weaknesses in the objective basis for the comparison. As a result BRE gave an undertaking to suspend the current standard for allocation of credits to different certification schemes pending a more robust assessment. PEFC representatives have arranged another meeting with BRE in the first week of March to follow-up on this commitment.

In their defence, BRE have emphasised that the forest industry should be less concerned with the relative ranking of different schemes and should focus instead on the positive aspects of BREEAM for timber.

4.2 Ireland

Over recent months there has been intense lobbying by green groups for the Irish government to adopt an "FSC or equivalent" timber procurement policy. Just Forests – a local NGO focused exclusively on promoting FSC – has been particularly active. As a result, around three or four local government authorities have adopted an "FSC or equivalent" policy.

However AHEC contacts with the Irish Office of Public Works (OPW) indicate that there will be a more inclusive approach by central government. Ireland's OPW is responsible for providing independent advice to the Irish government. It will have primary responsibility for drafting the nation's timber procurement policy. OPW is also influential in the private sector, having one of the largest architectural practices in the country and being closely associated with the country's national architects' association.

OPW is in the early stages of drafting timber procurement policy for both central government and the national architect's association. At present the likelihood is that the policy will favour

wood products that are independently certified under a variety of schemes when available (i.e. the policy will be inclusive). It is also likely to provide suppliers with opportunities to provide other forms of evidence where certified products are not available. OPW is keeping a close eye on developments in the U.K., and is expected to look to the CPET, when established, for guidance on the credibility of various certification schemes.

4.3 FERN survey of European public procurement practices

The environmental organisation FERN published a brief survey of central government timber procurement policies in January 2004. The report "To buy or not to buy" draws on a questionnaire survey issued to the governments of the EU member states and the United States. Of these, nine EU member states and the USA responded. According to the report *"the USA and six out of the nine EU member reported that they do not have a national policy on procurement of timber from legal and sustainable sources. EU countries without a meaningful policy include France, Germany and Italy which, in 1998, together with the USA and other G8 countries, agreed a range of actions to control illegal logging and the international trade in illegally harvested timber...Only the UK and Denmark are operating substantive policies that recognise the complexity of defining legal and sustainable sources and provide guidance on how to determine compliance. Denmark's policy is limited to timber products originating in tropical forests."*

Although FERN claim that the German policy is not "meaningful", they note that *"The Federal Government's policy is to check that purchases of tropical timber are supported by reliable certificates. However the government has not published any criteria for assessing whether a certificate can be considered reliable. The government is currently developing a broader procurement policy that will cover tropical wood and non-tropical wood. The policy will establish criteria to evaluate certification systems. The criteria will use the FSC system as a benchmark"*.

Other countries identified as currently lacking a central government timber procurement policy were Finland, Ireland, Italy, Netherlands, and Portugal.

FERN also undertook an analysis of EU and WTO rules with a view to assessing the extent to which these may constrain implementation of environmental timber procurement policies. They concluded *"the various stages of the procurement process provide purchasers with opportunities to favour, or insist on, timber products deriving from legal and sustainable sources. The EU's rules and the WTO's Government Procurement Agreement (GPA) do allow for green timber procurement but limit these opportunities to some extent"*.

FERN suggest that EU rules allow member states to demand "legal and sustainable timber" as contract conditions, in technical specifications, and in contract award criteria – although there is some legal ambiguity over the last two possibilities. The WTO GPA rules allow specification of legal and sustainable timber as contract conditions and contract award criteria, but seem to rule out inclusion in technical specifications. Both WTO and EU rules allow authorities to rule companies out of tenders on grounds that include breach of international and national laws on forest management, harvesting and timber trade.

Therefore, FERN suggest national governments have ample scope to implement environmental timber procurement measures aimed at countering the illegal trade and *"should seize the opportunity"*.

5 Environmental campaigns and issues

5.1 Greenpeace focus heavily on Indonesia

With Rainbow Warrior currently in the waters off Kalimantan, Greenpeace has been focusing heavily on its Indonesian illegal logging campaigns. Greenpeace in the UK have announced their intention to *"accelerate"* campaigns directly targeting individual companies that buy Indonesian wood *"for which there is now no effective way to prove its legality or illegality"*.

This follows their success in forcing three building supply companies to stop buying Indonesian wood. Greenpeace have warned European companies buying Indonesian timber that *"we will be actively looking for you now"*.

Meanwhile the German chapter of Greenpeace is focusing on use of Indonesian hardwoods in the public sector. Greenpeace activists recently put up large placards before the chancery of the Lower Saxony government in Hanover, reading *"Lower Saxony Does Not Need Timber from Rainforest Destruction!"* to protest against what one activist described as the *"steady destruction of the rainforests in Borneo"* and the use of tropical rainforest wood for the new construction of a prison in Rosdorf near Goettingen.

Greenpeace claim that the state government of Lower Saxony has departed from its own policy guideline by deciding to use meranti wood for 849 windows to be affixed in the new prison being constructed in Rosdorf. Greenpeace claim that the meranti concerned will come *"almost exclusively from Indonesia's rainforests"*. Greenpeace suggest this is *"not an isolated case"* and are also highlighting other instances where tropical hardwoods are being used in public sector contracts.

Greenpeace are urging EU national governments *"to work in concert and set a good example by using wood bearing the Forest Stewardship Council (FSC) ecological seal"*.

5.2 WWF pull out of joint Indonesian project

One of the most prominent efforts by WWF to work with Indonesian industry fell apart in January when the organisation pulled out of a joint project with Asia Pulp & Paper, Asia's largest paper company outside Japan. The US-based Nature Conservancy also said its plan to work with two plywood exporters to implement a bar code system that could prove if wood was felled legally had stalled because of bureaucracy.

5.3 Greens campaign against carbon sinks in Kyoto Protocol

European environmental groups, led by FERN, are campaigning against recognition of forests as carbon sinks under the Kyoto protocol. FERN complain that *"Industrial-scale tree planters will be able to use the Kyoto Protocol's Clean Development Mechanism (CDM) to subsidise unsustainable plantations according to the rules adopted for carbon sink projects at the ninth Conference of the Parties to the climate change convention (COP9).... carbon credits generated from sinks projects make no lasting contribution to slowing climate change, and that the inclusion of sinks projects in the CDM sanctions higher fossil fuel emissions. An assessment of the COP9 agreement reveals further disturbing details: industrial monoculture tree plantations, possibly using genetically modified trees or displacing local inhabitants, will be eligible, and impact assessments are required only if the country hosting the project considers them necessary."* Therefore FERN calls on EU member states *"not to use any sinks projects to reach their Kyoto targets"*

6 Meetings

6.1 Future meetings in Europe

The Forest Dialogue: Dialogue on Forest Certification Steering Committee: an invitation only meeting to be held at the Department for International Development, 9-10 March 2004 - London, England. This meeting brings together a range of industry, environmental and academic interests to discuss frameworks for comparing forest certification schemes. There will be presentations by CEPI - Bernard de Galember; Time Warner - David Refkin; IFIR - Cliff Schneider and Carlos Roxo; IKEA - Gudmund Vollbrecht; ProForest - Ruth Nussbaum; Legitimacy Threshold Model - James Griffiths; UK approach - Bob Andrew; QACC - Justin Stead; FSC-SFI comparison exercise - Tim Mealey.

Forests and Forest Ecosystems: Promoting Synergy in the Implementation of the three Rio Conventions: Joint workshop organised by the Secretariats of the United Nations

Convention to Combat Desertification (UNCCD), the Convention on Biological Diversity (CBD) and the United Nations Framework Convention on Climate Change (UNFCCC) with the support of the Government of Italy. To be held in Viterbo, Italy from 5 to 7 April 2004. Will discuss the best ways and means for planning and implementing plans and programmes that address, in a coherent and complementary manner, the provisions of all three Conventions in relation to forests.

Future Issues for Forest Industries in Europe: 28 April – 1 March 2004, a special Forestry and Wood Products event to mark Ireland's EU Presidency. Arranged by Innovawood and Coford, it will highlight issues facing the future of the European forest-wood chain. It will be attended by forest policy makers from throughout the EU. The Technical Consultant will be speaking on "certification conundrums" in the opening session of the 4 day conference. Mike Virga will be speaking on the SFI Program in the same session, alongside representatives of FSC and PEFC. Another major topic for discussion will be the impact of the accession of 10 new EU members from 1 May 2004 on EU forest policy.

UNFF-4: The Fourth Meeting of the United Nations Forum on Forests (UNFF-4) will convene from 3-14 May 2004 in Geneva, Switzerland. For more information, contact: Mia Söderlund, UNFF Secretariat; tel: +1-212-963-3262; fax: +1-212-963-4260; e-mail: unff@un.org; Internet: <http://www.un.org/esa/forests/session-intro.html>

6th International Symposium on legal aspects of European forest sustainable development: This Symposium, organized by IUFRO, will be held on 1 June 2004, in Brasov, Romania. For more information, contact: Peter Herbst; tel: +43-4242-52471; fax: +43-4242-264048; e-mail: hp@net4you.co.at; Internet: <http://iufro.boku.ac.at/>

ITTC-36: The thirty-sixth session of the ITTC will be held 20-23 July 2004 in Switzerland. For more information, contact: Alistair Sarre, ITTO Secretariat; tel: +81-45-223-1110; fax: +81-45-223- 1111; e-mail: itc@itto.or.jp; Internet: <http://www.itto.or.jp>

UN Conference (1st Part) for the Negotiation of a Successor Agreement to the ITTA, 26-30 July 2004, Geneva, Switzerland. Contact: Collins Ahadome; itto@itto.or.jp; www.itto.or.jp

The Evaluation of Forest Policies and Programmes. 27 June - 3 July 2004, Epinal, Vosges, France. Contact: Gérard Buttoud (Science program), French Institute of Forestry, Agricultural and Environmental Engineering (ENGREF); buttoud@engref.fr; Brita Pajari (other issues), European Forest Institute; brita.pajari@efi.fi

Forest Information Technology Congress and Exhibition. 1-2 September 2004, Jyväskylä, Finland. Contact: Finpro Marketing Oy, Porkkalankatu 7b, FIN-00181 Helsinki, Finland; forestit@finpro.fi; www.forestit.net

The Economics and Management of High Productivity Plantations. 27-30 September 2004, Lugo, Galicia, Spain. Contact: Juan Gabriel Alvarez Tel: 34-982-252303; or Chris Goulding, New Zealand Forest Research Institute Tel: 64-7-3435641; www.lugo.usc.es/iufro/

Meeting of the UNECE/FAO team of specialists on forest products markets and marketing, 3 October 2004, Geneva, Switzerland. E-mail: info.timber@unece.org

Joint session UNECE TIMBER COMMITTEE, 62nd session and FAO European Forestry Commission, thirty-second session, 4-8 October 2004, Geneva, Switzerland. E-mail: info.timber@unece.org

6.2 Future meetings outside Europe

International Conference on Sustainable Management of Tropical Forests: Private sector Experiences. 13-15 April 2004, Kuala Lumpur, Malaysia. Contact: Mr Kamaruzaman

Ali Budin, ITTO International Conference Secretariat, Forestry Department Peninsular Malaysia, Jalan Sultan Salahuddin, 50660 Kuala Lumpur, Malaysia. Email man@forestry.gov.my

SIMFOR 2004: Third International Symposium on Sustainable Management Of Forest Resources (SIMFOR 2004), organized by IUFRO, will be held from 21-23 April 2004, in Pinar del Rio, Cuba. For more information, contact: Fernando Hernandez Martinez; tel: +53- 82-779363; fax: +53-82-779353; e-mail: fhernandez@af.upr.edu.cu; Internet: <http://iufro.boku.ac.at/>

International Conference on Economics of Sustainable Forest Management. 20-22 May 2004, Toronto, Canada. Contact: Shashi Kant, Conference Secretariat; shashi.kant@utoronto.ca; www.forestry.utoronto.ca/socio_economic/icesfm/

37th Session of the International Tropical Timber Council. 13-18 December 2004, Yokohama, Japan. Contact: Collins Ahadome; itto@itto.or.jp; www.itto.or.jp

17th Commonwealth Forestry Conference: Forestry's Contribution to Poverty Reduction. 28 February – 5 March 2005, Colombo, Sri Lanka. Contact: Conservator General of Forests, Sampathpaya, PO Box Çd, Battaramulla, Sri Lanka; forlib@slt.net.lk

Rupert Oliver
AF&PA Technical Consultant, 5 February 2004