

Report for AF&PA

**Trade and Environment
Program in Europe**

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**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

Summary and consultants comment

The first three months of 2005 were marked by several significant political events for forestry. The G8 Environment and Development Ministers met at a summit hosted by the UK to discuss illegal logging (details of this meeting and its outcome are contained in a separate report by the T&E Consultant). There was consensus that G8 countries should continue to push for radical measures to solve this problem. However, divisions continue to exist between the EU, with its emphasis on “demand side” measures (e.g. procurement policy, log tracking); and the United States, with its emphasis on supply-side measures (e.g. forest enforcement measures).

Also on illegal logging, the EU seems to have ironed out some earlier political objections to the FLEGT Action Plan and to be moving relatively smoothly towards full implementation. Some EU countries are looking to develop even more far-reaching legislation to make imports of “illegal” timber a criminal offence in the EU.

In another development, government members of the ITTO met to work on a new legal agreement for the ITTO to replace the current agreement which runs out next year. Delegates remain divided over whether the scope of the agreement should be altered to cover “Tropical Forests” rather than the “Tropical Timber Trade”.

A group of forest experts also met to put forward some ideas on the future of the “International Arrangement on Forests” (IAF). The IAF is currently embodied in the United Nations Forum on Forests which is due to hold its final meeting in May 2005 when its mandate will officially expire. The expert meeting indicated that there is still no consensus on the most appropriate international arrangement: some interests are calling for maintenance of the status quo; others want to see a rapid move to a legally binding convention, backed by an action program, targets and sanctions to ensure progress to sustainable forest management; others favour some form of compromise between these two extremes.

The first three months of 2005 were also marked by a major milestone in forest certification. PEFC became the first framework to recognise 100 million hectares of certified forest. This was due to their endorsement of the CSA Program in Canada on 29 March, which brought an extra 47 million hectares into the scheme.

This announcement rather overshadowed that by FSC, that it had passed the 50 million hectare mark in the opening months of 2005. While the total area of FSC certified forest is more limited, the scheme maintains a significant lead in chain of custody certification. FSC has issued nearly 4400 chain of custody certificates, compared to just under 2000 by PEFC.

PEFC continues to struggle to achieve the same level of European market endorsement as FSC. This is particularly problematic in the UK, where PEFC has yet to achieve recognition by the UK government’s Central Point of Expertise on Timber (CPET) that it is capable of delivering their criteria for “legal and sustainable” timber. PEFC has said it will redraft its procedures in order to achieve CPET endorsement, but doesn’t want to make these changes before getting substantive assurances from UK government that they will be sufficient.

Meanwhile, the FSC marketing roller-coaster goes on, aided by the WWF and various Foundations. Latest news in Europe focuses on increased uptake of FSC certified product by European paper merchants and book publishers. Outside Europe, notable events are the announcement of new WWF Global Forest and Trade Groups in China and Africa, both targeting mainly producers (rather than consuming companies) at this stage.

Environmental Groups have been fairly quiet, which is usual during the winter months. However signs that the campaigning season may be about to begin came at the end of March, with a Greenpeace blockade of ships carrying tropical logs into Portugal. Greenpeace demands focused on illegal logging and the need for a public sector procurement policy in Portugal to address this issue.

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1. Forest certification developments

1.1. Global status of forest certification

Latest data (see Annex) indicates that the total area of forest certified under various schemes worldwide now amounts to around 225 million hectares, up from around 190 million hectares at the same time last year. All the leading schemes – FSC, PEFC, SFI Program, and CSA, have significantly increased the area of certified forest during this period. While there has been some progress to extend certification in South America, Asia, and Russia, certified forests remain heavily concentrated in North America and Europe. These two continents account for over 90% of the world's certified forest area.

The total number of chain of custody certificates issued under the various schemes (or in the case of SFI the number of facilities approved to use the SFI label) now stands at close to 7000, 65% in Europe, 16% in North America, 9% in Asia, and 6% in South America.

1.2. Program for Endorsement of Forest Certification

1.2.1. Current status of PEFC certification

**Table 1: PEFC certified area, chain of custody certificates and number of logo users by region
On 31 March 2005**

	Certified forest area (ha)	Number of C-O-C certificates*	Number of PEFC logo users
Australia	1 092 678	1	1
Austria	3 924 000	272	151
Belgium	230 528	16	14
Canada	47 400 000	0	0
Czech Republic	1 936 583	126	109
Denmark	13 641	4	6
Finland	22 355 596	82	100
France	3 519 387	637	5795
Germany	6 967 101	486	3631
Chile	1 527 180	0	1
Italy	356 053	12	18
Japan	0	3	3
Latvia	31 364	14	252
Netherlands	0	2	0
Norway	9 231 700	5	16
PEFC Council	0	0	25
Spain	417 502	23	39
Sweden	6 412 149	58	114
Switzerland	316 850	157	0
UK	9 125	68	26
Total	105 741 441	1 966	10 301

By 28 February 2005, PEFC certified forest area had reached 105.74 million hectares, up from 55 million hectares at the end of December 2004. By far the most significant change is the addition of 47.4 million hectares following endorsement of the Canadian Standards Association (CSA) scheme on 29 March 2005. CSA became the 18th national forest certification scheme to be endorsed by the PEFC Council.

Other changes in area over the last 3 months include the addition of 2.3 million hectares in Sweden as large industrial forest owners are now moving to dual FSC/PEFC certification. The newly certified area in Sweden belongs to Bergvik Forests Ltd, one of Sweden's largest forest owners. Other increases in certified forest area over the last 2 months have been in Chile (500,000 hectares), Italy (300,000 hectares) and Spain (100,000 hectares).

PEFC chain of custody certificates increased from 1810 at the end of December 2004 to 1966 by 28 February 2005. The main increases were in France (59 new certificates), Germany (31 new certificates), and Switzerland (29 new certificates).

Five national forest certification systems are currently undergoing the PEFC endorsement process:

- The Finnish Forest Certification Council is undergoing a regular 5-yearly reassessment following a revision to the scheme. It has been recommended by the Directors for re-endorsement. A postal ballot of PEFC members to confirm the result is currently underway.
- A public consultation process has just ended for the Luxembourg forest certification system. The independent consultant is now assessing the results.
- Certification systems from Brazil, Estonia and the Slovak Republic have just entered the PEFC assessment process. Dates and deadlines for the public consultation period will soon be announced on the PEFC web page.

PEFC continues to receive applications for new members. The Slovenian Institute for Forest Certification has applied for PEFC membership as official representative of the national forest certification system. The "Manufacturers of Educational and Commercial Stationary European Association" (MECSEA) has applied to become an Extraordinary Member of the PEFC Council. MECSEA member companies account for 85% of the EU market for educational and commercial stationary and employ 220,000 employees.

1.2.2. Search for CPET endorsement

The search for endorsement by the UK Governments Central Point of Expertise (CPET) remains a key marketing issue for PEFC. PEFC failed to achieve recognition as a "legal and sustainable" scheme in CPET's initial assessment published in November 2004. This was largely owing to PEFC's inability to demonstrate to CPET's satisfaction that there is adequate public participation during the forest audit process.

Since the CPET assessment, the PEFC Council has redrafted the PEFC standards and procedures in an effort to take account of CPET's concerns. In order to come into force, these must now be endorsed by a postal ballot of all national certification schemes that are members of the PEFC Council. The PEFC Council secretariat sent the redrafted documents to UK government prior to seeking this endorsement in an effort to gain an assurance, in advance, from UK government that the changes would indeed be sufficient to meet their criteria for "legal and sustainable". UK government drafted a response to the PEFC Council suggesting that the changes – if effectively implemented by the national PEFC schemes – would probably be sufficient.

Everything now hinges on a positive vote on the changes by the national PEFC schemes, and by these schemes demonstrating to UK government's satisfaction that the changes are being implemented. A positive outcome is not certain on either count.

1.2.3. World Bank relations

PEFC have been in dialogue with the World Bank over the World Bank/WWF joint "Questionnaire for Assessment of the Comprehensiveness of Certification Schemes (QACC)". The World Bank intend to use the questionnaire to assess forest operations for aid and investment purposes. PEFC suggest the "QACC" is inadequate. PEFC continue to argue for a broader consultation process by the Bank on the QACC, and against the continuing close partnership between the Bank and the WWF which they believe slants the process.

1.2.4. Minimum requirements check-list

The PEFC Board has approved a revised “Minimum Requirements Checklist” which sets out 244 requirements for national certification systems seeking PEFC endorsement. The revised checklist reflects changes made to the PEFC Technical Documentation at the last General Assembly in October 2004. The checklist incorporates new requirements on balanced representation; consensus; written procedures for appeal mechanisms; and chain of custody. It also incorporates requirements for systems based on the ATO/ITTO Principles for sustainable forest management of African tropical forests. The checklist (PEFC reference GL 2/2005) is now available at the PEFC website.

1.2.5. PEFC national news

1.2.5.1. UK

PEFC is undertaking a strategic marketing initiative in the UK over the next three years. The consultant chosen by PEFC in the UK, Chris Yates-Smith of Penside Consulting, has a background in marketing for the organic foods industry and the Marine Stewardship Council. He has links with the city investment community. PEFC marketing in the UK is likely to focus on the business-to-business communication role of PEFC and will emphasise the commercial benefits of PEFC (i.e. availability of certified product, ISO conformance, minimising investment risk). It will also emphasise the importance of large corporations and other wood buyers avoiding over-reliance on a single certification scheme as a means of reducing commercial risk.

1.2.5.2. Italian scheme expands

In December 2004, the “Group Veneto” became the first Italian organisation to achieve PEFC group certification, covering a forest area of 35,194 hectares. The group comprises 28 different forest owners, including local authorities, forest communities, municipalities and private individuals located in the north-eastern part of the Italian Alps.

Shortly after, another PEFC group certificate was issued to the farmer’s union of Alto Adige-Sud Tirol Bauerbund, comprising 22,926 independent farmers. This group now has the largest certified forest area in Italy (250,643 hectares). The area comprises mainly valuable spruce, pine and beech and represents 20 % of Italian productive forest area.

Three organisations have just joined PEFC Italy: The Union of National Forest Producers (UNProFor); FERCAD S.p.A; and PALM S.p.a.. FERCAD S.p.A., is the exclusive importer of Husqvarna equipment into Italy. PALM S.p.a., the leading Italian manufacturer of packaging and pallets, is already PEFC chain of custody certified.

1.2.5.3. Swiss Q-Label System reorganised

The Swiss Q-Label certification system – which enjoys widespread support amongst the Swiss forestry and wood industries – is being reorganised as follows:

What is maintained?

- Agro Marketing Suisse (AMS) will remain the owner of the label “Q SWISS QUALITY”.
- The Q-Label steering committee will remain the Swiss agency for PEFC.
- The Q-Label system will remain an independent system operated in accordance with appropriate ISO standards.
- The unit of certification will remain the single organisation enterprise.

What is new ?

- More than one certification body will be allowed to certify. All certification bodies must be accredited by the Swiss accreditation body.
- The certification bodies will now issue certificates.
- The steering committee will issue the appropriate authorization for the use of the two Logos Q-Label and PEFC.
- The certificates will be awarded in accordance with general requirements and the specific regulations of the Swiss forestry and wood industries.
- Marketing efforts will be intensified.

1.3. Forest Stewardship Council

1.3.1. Status of FSC certification

The global area of FSC certified forest hit the 50 million hectare mark in early 2005. By far the largest and potentially most significant FSC certifications in recent months have been in Russia. There are signs of a significant expansion of FSC certification in the Eastern parts of Russia where timber is destined mainly for the Chinese and Japanese markets. Recent Russian certificates have been issued as follows:

- Terneyles company (working jointly with Sumitomo), covering 1.394 million hectares of state-owned forest land managed on a 25 year-lease in Primorskiy Kray, in the Far East of Russia.
- Lesosibirsk company covering 219,000 hectares in Krasnoyarsk Kray in the southern parts of Siberia in Eastern Russia
- Kai company (working jointly with IKEA), covering 124,000 hectares of state-owned forest land managed on a 25 year lease in Kirov Oblast in central western Russia.

In addition to this area, companies managing around 1 million hectares of Russian forest are now taking steps towards FSC certification.

Table 2: Change in FSC certified area by region

	1 December 2004	1 March 2005	% change
N. America	9.7	10.1	4.1
W. Europe	12.7	13.3	4.7
E. Europe	12.4	12.6	1.6
Asia	0.4	0.4	0.0
S. America	6.4	6.8	6.2
Africa	1.9	1.9	0.0
Russia	2.1	3.8	81.0
Oceania	1.2	1.2	0.0
All	46.9	50.1	6.8

FSC chain of custody certification has continued to expand in recent months, rising by 285 certificates between mid December and 1 March 2005. Growth was particularly rapid in Germany (up 45) and Japan (up 29). There were signs of contraction in South Africa (down 10).

**Table 3: Change in FSC chain of custody certificates
(includes coc only and joint forest management/coc certificates)**

	<i>Dec</i> <i>04</i>	<i>Mar</i> <i>05</i>	<i>No.</i> <i>change</i>
World total	4100	4385	285
Europe	2263	2472	209
UK	419	435	16
Germany	341	386	45
Poland	306	316	10
Netherlands	230	241	11
Switzerland	210	226	16
Sweden	125	126	1
Italy	90	102	12
Belgium	77	76	-1
Latvia	89	90	1
Denmark	51	59	8
France	66	74	8
Ireland	22	23	1
America	1104	1120	16
USA	522	522	0
Brazil	218	226	8
Canada	132	134	2
Chile	37	40	3
Asia	481	546	65
Japan	221	250	29
Vietnam	67	74	7
China	80	95	15
Malaysia	46	54	8
Indonesia	28	29	1
Africa	167	157	-10
South Africa	145	136	-9
Oceania	85	90	5
New Zealand	72	75	3

1.3.2. FSC market developments

Significant FSC market developments in Europe in recent months include:

- J.K. Rowling's publisher Bloomsbury has announced that 'Harry Potter and the Half Blood Prince' will be printed on an 30% Forest Stewardship Council (FSC) certified paper. This will make it the first best selling book in the UK to be printed on such a paper. So far other leading UK publishers – including Random House and Harper Collins - have resisted NGO pressure to make similar gestures.
- FSC UK released data to indicate that sales of FSC certified products in the UK exceeded 1.7 billion dollars last year. Very roughly, the total value of forest products (including solid wood, pulp and paper, but excluding wood furniture) either imported into or manufactured in the UK amounts to around 23 billion dollars. On this basis, FSC seems to have achieved market share of around 7-8%.
- In February 2005, Homebase became the first United Kingdom DIY retailer to achieve FSC Chain of Custody certification. The certificate was issued by the Soil Association. B&Q, the UK's largest DIY retailer, is also now pursuing chain of custody certification. This reflects the increased role of large DIY retailers in selling into the commercial construction sector as well as to the general public. It is also a step towards ironing out a discrepancy in the FSC system which allows retailers to sell FSC certified products without themselves undergoing chain of custody certification.
- The major European DIY Retailer Bauhaus AG (BAHAG) became a member of the WWF Global Forest and Trade Network in Germany. Bauhaus AG has its head office in Germany, together with stores in Germany, Finland, Denmark, Sweden, France, Croatia, Austria, Slovenia, Spain, Czech Republic and Turkey. Bauhaus AG already offers a few FSC certified products in their stores.
- In December 2004, the 2nd largest paper merchant in Europe, Antalis Ltd., obtained FSC Certification for its operations in the UK. This certification is in addition to the operations in Switzerland, which had already been FSC COC certified.
- Similarly, G. Schneider & Söhne GmbH & Co.KG, the 6th largest paper merchant in Europe with an 8% market share (volume) has recently obtained FSC COC certification for all of its 13 German operations.

1.3.3. WWF assess the forestry impact of FSC

WWF have completed an analysis of all changes forest managers had to make to obtain FSC certification of 18 Million hectares of forests in Estonia, Germany, Latvia, Russia, Sweden and the UK. They claim that this analysis shows that certification led to significant improvements to biodiversity conservation, management planning, health & safety and the employment rights of forest workers.

The study analysed 2817 so called Corrective Action Requests which were raised by independent certifiers as forest managers sought to achieve and maintain FSC certification in Estonia, Germany, Latvia, Russia, Sweden and the UK. These Corrective Action Requests detailed shortcomings on environmental, social and economic issues and were the basis for WWF's assessment of the nature of the improvements achieved on the ground through FSC.

WWF note that in Estonia, Germany, Latvia, Russia, Sweden and the UK biodiversity values were improved through measures such as: lower impact silviculture; improved protection of key habitats; increased deadwood levels; measures favouring species diversity; reduced soil compaction; improved water management and improved pollution control. They suggest that in all 6 countries FSC certification led to safer working conditions and enhanced worker skills, improved long term planning and strategies for minimising economic damage. The FSC system also encouraged real compliance to a plethora of legislation, guidelines and best practice that sometimes were not enforced in practice. WWF suggest FSC was particularly important to the forest industry in new EU member states where it

helped implementation of a wide range of EU legislation and guidelines. FSC's chain of custody procedures are helping to remove illegally harvested wood from supply chains.

A full copy of the analysis is available at the WWF website:

(<http://www.panda.org/downloads/forests/fscsummaryanalysisallcountries.pdf>)

1.3.4. FSC in the Czech Republic

To date, the forest sector in the Czech Republic has been more inclined to support the Program for Endorsement for Forest Certification (PEFC). However work is now underway to encourage greater uptake of the FSC system in the country. The work is being supported by the DOEN Foundation and coordinated by the FSC Czech Working Group. The DOEN Foundation provides funding to organizations and projects in the fields of development cooperation and human rights, nature and environment, welfare and culture. NEPCon, the representative of the FSC accredited SmartWood Program in Eastern Europe, Scandinavia and Russia, has also been instrumental in driving the process.

So far in the Czech Republic, there are 13 FSC Chain of Custody certified companies and just under 15,000 hectares of FSC certified forests. This compares to 126 PEFC chain of custody certificates and 1.9 million hectares of PEFC certified forest.

1.3.5. FSC in Africa

At present there are no FSC certified forests throughout the vast forest regions of the Congo Basin and West Africa. However in recent months, there are signs that FSC is now succeeding in building a bridgehead into the region.

In early 2005, the WWF and Friends of the Earth signed an agreement with Samartex Timber and Plywood Co. Ltd. to promote work towards eventual FSC certification of forest concessions managed by the company. Samartex is a vertically-integrated company with timber harvesting and sawmill operations and which manages 159,000 hectares in western Ghana.

The agreement makes Samartex the inaugural participant of the Ghana Forest & Trade Network, a part of WWF's Global Forest & Trade Network (GFTN). The Ghana Forest & Trade Network is managed by Friends of the Earth in partnership with WWF. The Ghana Forest & Trade Network was established with, and receives support from, the UK Department for International Development (DFID) and US Agency for International Development (USAID).

Samartex is one of the leading forest product companies in Ghana with average annual sales of about 17 million euro and a product range that includes sliced and rotary veneer, sawn timber, boules, mouldings, and plywood. Samartex decision was driven specifically by demand for certified African products in the UK market. Samartex supplies sapele, iroko, idigbo and utile, among other species, to Timbmet Silverman, which in turn supplies products to Travis Perkins.

With support from the Ghana Forest & Trade Network, Samartex will implement a moratorium on logging in primary forests; develop plans for providing benefits to the communities that own Samartex-managed concessions; and achieve certification to FSC standards in 2007.

While Samartex is the first official participant in the Ghana Forest & Trade Network, a number of other companies have applied to join. Applicant companies unable to prove that they hold legally allocated, long term licenses to harvest timber are not allowed to join the organization. Participants in the Ghana Forest & Trade Network receive assistance in achieving certification for their forestry and processing operations, and support with establishing trading links with GFTN-participating buyers.

Meanwhile in the Congo Basin, three of Cameroon's largest timber companies, Pallisco, Decolvenaere, and Transformation Reef Cameroon recently applied to become inaugural members of the Central Africa Forest & Trade Network (CAFTN). The companies' membership announcement came during the 2nd Central African Heads of State Forest Summit held in Brazzaville early February. The three companies together manage over half a million hectares of forest concessions. They export

about 120,000 cubic meters of sawn timber to European markets — about 20 per cent of EU imports come from Cameroon — mainly to France, Spain, the Netherlands, and the UK.

1.3.6. Small and Low Intensity Certification implemented

FSC are now implementing their procedures for certification of “Small and Low Intensity Forests”. Most recently they report on their use to certify 2500 hectares of community forest in a remote region of the Brazilian Amazon run by the Associacao Comunitaria Agricola e de Extracao de Produtos da Floresta (ACAF). The certified area, which is located more than 20 hours via boat from Manaus, was assessed by Scientific Certification Systems (SCS). The ACAF project is in a region where pressure on natural resources is increasing, and where neighboring municipalities are already the target of illegal harvesting. ACAF is viewed as a pilot program to demonstrate workable solutions to the challenges of forest management in the region. Products from the area are mainly non-timber, including Brazil nuts, lianas, copaiba and andiroba oil.

1.4. Malaysian Timber Certification Council

1.4.1. Implementation of FSC compatible standards

The Malaysian Criteria and Indicators for Forest Management Certification (MC&I (2002)) that were unanimously adopted by the National Consultation in October 2002 are now ready for implementation. The MC&I (2002) have been developed with the specific objective of conformance with the FSC Principles and Criteria.

Over the last two years, work has been underway to refine the MC&I (2002) taking into account the outcome of field tests carried out in the three Malaysian regions (Sabah, Sarawak and Peninsular Malaysia). The field tests were conducted by independent assessors registered with MTCC. Representatives of various social, environmental and economic stakeholder groups and resource managers from the respective regions also participated in the field tests.

MTCC will use the MC&I (2002) for the next phase of its certification scheme beginning this year. The MC&I (2002) are a result of the collaboration between MTCC and FSC initiated in 1999. Under the collaboration, a Workshop on Forest Certification was held in December 2000 that resulted in the formation of a multi-stakeholder National Steering Committee (NSC), which held its first meeting in April 2001. The NSC was given the task to revise the existing forest management standard.

While the standards have been developed with the objective of conformance with the FSC Principles, they have not been endorsed by the FSC. Nor does FSC formally recognise the MTCC certification procedures.

The MC&I (2002) are available at www.mtcc.com.my.

1.4.2. Chain of custody standard revised

MTCC's chain of custody standard, used since introduction of MTCC in December 2001, has been subject to review since February 2004. A new standard, the “*Requirements for Chain-of-Custody Certification (RCOC)*”, has been finalised and will be phased in progressively before January 2006. The main drafting change is that the Chain of Custody Standard and the Assessment Procedures have been re-issued as two separate documents. The new documents can be downloaded from MTCC's website at www.mtcc.com.my

1.4.3. MTCC under fire from environmentalists

On a European tour (7-15 February), environmental activists from Malaysia sought to discredit the MTCC. The activists claimed that MTCC lacks independence, alleging it is controlled by the government and forest industry. They pointed to gaps in the chain of custody, suggesting that legality claims difficult to sustain. And they particularly criticised MTCC's failure to adequately accommodate customary rights. MTCC responded that considerable efforts were made to accommodate the views of indigenous people at every stage of development of the certification process, including through

provision of financial assistance to fund their participation. MTCC claim that the complaints derive from a very small minority of indigenous groups, while the majority are working within the scheme. They also suggest that the main complaints focus on a land rights dispute currently under consideration by the Malaysian courts, lying outside the remit of a forest certification scheme.

2. International agreements and institutions

2.1. Europe

2.1.1. EU FLEGT

Work is currently on-going in European Council to finalise the proposed EU regulation on Forest Law Enforcement, Governance and Trade. This will provide the legal framework for establishment of bilateral agreements with partner countries, and for implementation of legality licensing procedures for timber imported from these countries. While there was some early wrangling over the details, reports now indicate that there is broad support for the proposal amongst European countries. Meanwhile, the European Commission and national governments are continuing their diplomatic efforts to encourage participation by potential partner countries, and are taking steps to implement pilot projects.

There are also reports of several national governments in the EU (including UK, Germany, Netherlands and Belgium) looking at potentially more far reaching legislation that would make imports of illegally sourced timber products from any source a criminal offence in the EU.

Reflecting the political priority now attached to illegal logging in the EU, the European Commission has announced that €20 million of the €60 million to be spent under the last call for proposals of the Tropical Forest Budgetline will go to projects addressing illegal logging. A list of projects funded will be available once the relevant contracts have been signed.

The EC Directorate General of Enterprise has announced that an industry information meeting on FLEGT will be held in Brussels on Thursday 28 April 2005.

2.1.2. European Forestry Strategy

In March 2005, the European Commission put forward a Communication to the European Council and the European Parliament on the implementation of the EU Forestry Strategy. This Communication responds to the request of the Council to report on the implementation of the Strategy, adopted in 1998. The Communication contains the main conclusions on the achievements in the implementation of the EU Forestry Strategy, presents emerging issues affecting forests and forestry, and outlines possible actions for the future. The Commission Staff Working Document, which is accompanying the Communication, provides a detailed review of the activities implemented in the context of the EU Forestry Strategy in the period 1999-2004.

The Communication highlights that the competitiveness and economic viability of sustainable forestry in many parts of the EU are increasingly being challenged in the global market place. The report stresses the importance of good governance for the protection and sustainable management of forests, and the necessity to enhance cross-sectoral cooperation and coordination and coherence between forest policy and other policies that affect forests and forestry. It also reiterates the EU's support of international processes for the achievement of sustainable forest management world-wide.

The review of the actions taken and activities implemented in the context of the EU Forestry Strategy since its adoption in December 1998 has shown that forests and forestry can successfully serve in providing multiple benefits to the modern society. The report underlines that forests and forestry have a potential to contribute both to the Lisbon objectives of sustainable economic growth and competitiveness, and to the Gothenburg objectives of safeguarding the quantity and the quality of the natural resource base. At the same time, forests are crucial for the fulfilment of the Community commitments to halt the loss of biodiversity and to mitigate climate change.

The Communication notes that there has been progress in the sustainable management of EU forests over the last years, but the policy context is changing and a more pro-active approach to governing

the Union's forests is needed in the future. As the main instrument to address the emerging policy context, the Communication proposes to prepare an EU Action Plan for Sustainable Forest Management. The Commission believes that the development of an Action Plan could provide the necessary impetus to transform the Strategy into a dynamic process capable of responding to the newly emerging expectations of society.

The Action Plan, which is proposed to be presented by the Commission in 2006, will be elaborated in close cooperation with the Member States and stakeholders.

All documentation relating to the Forest Strategy is available at:
http://europa.eu.int/comm/agriculture/consultations/forestry/index_en.htm

2.1.3. European Forest Sector Outlook Study

The UNECE Timber Committee and the FAO European Forestry Commission have recently made available their European Forest Sector Outlook Study (EFSOS). The EFSOS study analyses past trends and future outlook for the supply and demand of the goods and services provided by European forests, with a special focus on Eastern Europe.

Some of the key trends noted in the study are an expected intensification of the forest products trade, an increase in demand for wood through renewable energy policies, an increased emphasis on environmental policies and sustainable development, a rise in recycling and residue use and a continued expansion of Europe's forest resource.

Among the key recommendations in the study are the need for a better cross-sectoral approach in the forest sector, for improvements in monitoring of Sustainable Forest Management and for stimulating the sound use of wood. It also calls for a balanced implementation of wood energy policies, the need to improve skills of the work force and for Governments to work together on forest law enforcement and governance.

The EFSOS can be downloaded at:
<http://www.unece.org/trade/timber/efsos/welcome.htm>

2.2. Central African Ministerial Conference

The second summit of Central African Heads of State and Governments on Sustainable Forest Management was held on 4-5 February 2005, in Brazzaville, Congo. The objective of the meeting was to evaluate actions taken since the last summit held in Yaounde in March 1999 and to adopt long-term plans for the management of forestry resources in Central Africa. The main outcome was the signing of Africa's first ever region-wide conservation treaty, and an agreement to protect over seven per cent of the Congo Basin forests.

At the Summit, Cameroon, Gabon and Congo signed a tri-national agreement that will protect 14.6 million hectares of forests comprising Dja, Boumba Bek and Nki, Odzala and Minkebe National Parks. The protection is equivalent of 7.5 per cent of the entire Congo Basin. Also signed at the Summit was an accord allowing free movement of park staffs to facilitate trans-boundary collaboration between Cameroon, the Central African Republic and Republic of Congo in the Sangha Tri-National Conservation Area. This means that park staff can work across international borders to combat poaching, trans-frontier bushmeat trade and illegal logging.

While welcoming the agreement, environmental groups expressed some doubts about the willingness of African governments to follow up their commitment with action. Greenpeace suggested the agreement went no further than previous commitments. Greenpeace said they would intensify their campaign targeting corruption and malpractice in the African timber trade. WWF noted that with the exception of the €40 million pledged by the European Union, no new commitments on additional funding for conservation in the Congo Basin have been made so far. Nevertheless, WWF were sufficiently impressed to formally recognize the Yaoundé Process as a "Gift to the Earth", their "highest accolade for a globally significant contribution to the protection of the planet."

2.3. East Asia FLEG

The Center for International Forest Research (CIFOR) and Forest Trends have received a grant from the UK's Department For International Development to examine the dynamics and future scenarios in demand, production, and trade of wood products within the Asia-Pacific region. This aims to provide information that will help promote stronger forest governance and more secure rural livelihoods. The project will build upon ongoing analysis by CIFOR and Forest Trends, of China's market for wood products and forest-related trade in the region.

The work will include desk research followed by two regional workshops (Beijing, mid 2005; and Bogor, Indonesia late 2005) at which stakeholders will work together to construct scenarios, to assess their consequences, and to identify and evaluate appropriate policy responses. The work will cover wood-based pulp and wood fiber, as well as logs and solid wood products.

2.4. International Tropical Timber Organisation

The second session of the UN Conference for the Negotiation of a Successor Agreement to the International Tropical Timber Agreement, 1994, was held 14-18 February 2005 in Geneva. The ITTA, 1994, which establishes the legal basis and mandate for the International Tropical Timber, is due to expire in 31 December 2006.

The report of the meeting by the Earth Negotiations Bulletin notes that no final agreement was reached despite the President of the Conference repeatedly calling for completion of the work by the end of the week. While there were areas where delegates were willing to compromise, there were just as many areas where negotiations were unable to progress.

Throughout the week, delegates struggled to agree on whether to maintain or broaden the scope of the agreement. Delegates in favor of broadening the scope continued to push for the organization to be renamed to the "International Tropical Forest Organization," and some pushed for the successor agreement to include coniferous tropical wood, non-timber forest products, and ecological services. Others, however, opposed the broadening of the ITTA, arguing that it could lead to more overlap and contradictions between other multilateral agreements.

By week's end, delegates agreed on including two overarching objectives in the successor agreement, but could not agree to the exact substance of these objectives. Delegates also agreed to include several tools to achieve the objectives including: encouraging tropical timber reforestation, rehabilitation and restoration of degraded forest land; providing an effective framework for consultation, international cooperation and policy development; and providing a forum for consultation to prevent non-discriminatory timber trade practices.

At the end of week, no agreement was reached on the exact distribution of assessed contributions and votes in the organisation. Some western "consumer countries", led by the U.S., argued that their higher contributions should be matched by greater voting rights. Some tropical "producer countries" argued that their contributions should be lower while equal voting rights should be maintained.

Another issue where compromise proved elusive was on the obligation of members to submit timber statistics and information. In practice, ITTO member countries' record in the provision of regular and accurate data on their commitment to sustainable forestry and levels of trade has been very poor. The Producer Group called for deletion of a paragraph on measures that could be taken by Council in case of non-submission of statistics and information by members, arguing that it goes against the cooperative spirit of the article and the Agreement. They argued that curtailing the voting and project submission rights of members who fail to submit such data to the Organization was excessive, if appropriate capacity building for data submission is not provided. However, one consumer member said the penalty of data non-submission was not overly demanding in comparison to other international organizations that also require data submittal from their members.

2.5. United Nations Forum on Forests

Over 200 representatives of governments, inter-governmental and non-governmental organizations gathered in Zapopan-Guadalajara, Mexico to participate in a country-led initiative (CLI) in support of

the United Nations Forum on Forests (UNFF) on the future of the “international arrangement on forests” (IAF) from 25-28 January 2005.

According to a report in the Earth Negotiations Bulletin, the purpose of the CLI was twofold; first to elaborate the critical elements that countries would like to see included in a future IAF; and second to provide an informal contribution to discussions on the future of the IAF due at the fifth full meeting of the UNFF in New York during May.

During the meeting, participants considered five specific aspects of a future IAF: objectives and functions; modalities; options for financing; identification of the international and domestic roles and contributions of the potential components of the IAF; and the challenge ahead. In the end, the participants, all of whom were speaking in their personal capacities, produced a final report to be submitted to the United Nations. The final report is not a consensus report, but simply captures the broad range of personal opinions expressed during the four-day meeting.

Possible options for the institutional status of any future IAF were identified early on in the meeting as follows:

- discontinuing the current IAF;
- introducing a non-legally binding instrument, such as an enriched and stronger version of the existing IAF;
- introducing a legally binding “framework convention”, perhaps backed by thematic and regional protocols;
- introducing a tough legally binding standalone convention, open to participation only by states that make real commitments and that may involve pre-agreed sanctions;
- or developing a forestry protocol to an existing convention.

Reports from the meeting indicate that while few people advocated discontinuation of the IAF, there was no strong consensus surrounding any single arrangement.

Advocates of a legally binding stand alone convention argued that such an instrument would create a more predictable environment for decision-making and investment; level the playing field; give greater recognition to the forestry sector; improve implementation, monitoring, assessment and enforcement; and improve the ability of the forestry sector to attract resources. Some expressed the view that development of a legally binding Convention of this nature is the only way to break the current inertia of the multilateral forest agenda.

In contrast, other interests stated their preference for a non-legally binding instrument, perhaps linked with the formulation of international guidelines and global and regional action programs. Some suggested that any LBI capable of achieving wide consensus would be ineffective, and that existing mechanisms could be effective, if implemented. For example, it was noted that most forest-related problems are occurring in tropical countries and that FAO and the International Tropical Timber Organization (ITTO) already cover this.

There was also quite broad support for the “middle ground” approach of a looser legally binding framework Convention, with the option of adding protocols for specific forest related issues. This was seen by some commentators as potentially more flexible than a full-blown Convention, and politically more realistic given sensitivities over national sovereignty.

Support for a protocol to an existing convention came particularly from NGOs who saw the Biodiversity Convention as a natural home for international discussions on forests. This was countered by other interests who noted that a protocol under an existing instrument would be too narrow and lack a holistic approach.

2.6. Kyoto Protocol

The Kyoto Protocol finally entered into force on 16 February following Russia’s ratification decision. This adds impetus to government programs in developed signatory countries that have made a legally-binding commitment to reduce greenhouse gas emissions. Energy efficiency programs are already boosting market prospects for wood due to wood’s low embodied energy and superb insulation properties.

In Europe, the Kyoto Protocol requires countries to reduce their emissions on average by 8% below 1990 levels during the first "commitment period" from 2008 to 2012. EU countries will be fined if they fail to meet their obligations. Fines start at €40/ton of carbon dioxide this year, and will rise to €100/ton in 2008. Current EU projections suggest that by 2008 the EU will be at 4.7% below 1990 levels, well short of the target.

40% of all energy use in Europe is consumed by buildings. Therefore the European construction sector has become a major focus for policy makers seeking to achieve the target and to avoid heavy fines. A key piece of legislation is the EU Directive on the Energy Performance of Buildings which must be implemented into the laws of all 25 Member States by 4 January 2006. From that date, the Directive will require issue of an Energy Performance Certificate when a building is constructed, or whenever there is a change of owner or tenant. The Directive also requires Member States to amend their existing building regulations to promote the use of energy-efficient materials and construction processes.

The Kyoto Protocol is also significant to the forest products sector as it establishes a framework for an international carbon credit trading system through the so-called "Clean Development Mechanism" (CDM). This provides a potential new source of financing for forest "carbon sinks". However at present this opportunity is significantly constrained by a number of factors. First, under current rules, Kyoto only allows credits for reforestation, rather than for sustainable management of natural forests. Second, the United States decision not to ratify the Protocol has meant only relatively low prices on offer for carbon credits and greatly reduced the demand for carbon sinks. Third, there has been firm environmentalist resistance to sink projects based on their fear that they will only encourage establishment of plantation monocultures and detract from more direct efforts to reduce carbon emissions.

These various factors have greatly reduced the range of forest carbon sink projects under development. One sign of the difficulties likely to be encountered came in early 2005. The first two carbon sinks projects aiming to sell forest carbon credits under the CDM stumbled at the first hurdle. An expert panel assessing the submitted baseline methodologies – technical documents required for projects seeking CDM approval – recommended that both be rejected. The recommendations were made on the grounds that the projects, located in Brazil and Belize, can't prove how much extra carbon dioxide the trees would actually absorb.

3. National Procurement Policy

3.1. United Kingdom

3.1.1. CPET

The Department for Environment, Food, and Rural Affairs (DEFRA) has invited expressions of interest from companies wishing to bid for the second phase of work to be undertaken by the Central Point of Expertise on Timber (CPET). According to the tender documentation *"the Contractor will be required to plan, establish and operate a Central Point of Expertise on Timber (CPET). CPET will provide technical advice to assist UK public authorities purchase timber and wood products from legal and sustainable sources. The contract will be negotiated to provide: (a) a helpline to provide case specific advice; (b) a web site for guidance; (c) training workshops and (d) the assessment of forest certification schemes and other forms of assurance of timber sources."*

A major part of the work to be undertaken during phase 2 of the CPET program will be to assess forms of evidence other than independent certification that wood derives from legal or sustainable sources. Work on CPET Phase 2 is anticipated to begin during summer 2005.

Expressions of interest in the contract are invited by 15 April 2005.

Latest reports from DEFRA indicate that of the £20 million pounds worth of timber products reported as purchased by central government authorities in England each year, around 75% are already certified. DEFRA stress that this data covers only procurement of solid wood products reported by central government authorities and that a large proportion of purchases still go unreported. The data

does not cover Scotland, Ireland and Wales, and does not include the much larger volumes of timber procured by local authorities.

3.1.2. Price Premiums study

Forest Industries Intelligence Ltd. has been commissioned by the UK Timber Trade Federation and the Department for International Development to produce six monthly reports examining price premiums associated with verified legal and verified legal and sustainable timber entering the UK market.

The first report issued in February 2005 indicates that there is considerable interest throughout the UK trade in sourcing and marketing verified legal and sustainable timber and many larger companies are implementing procurement policies aimed at ensuring that 100% of their supplies originate from legal sources.

Trade in certified product now dominates a large section of the UK softwood trade and due to the wide availability and developed distribution networks for certified softwood product there are no premiums to be obtained for these products. Failure to achieve mutual recognition between PEFC and FSC remains an important logistical difficulty for many companies.

The survey showed in contrast, poorly developed distribution channels for certified hardwoods, restricted availability and widely demanded price premiums. Certified European hardwoods are more readily available than certified American or tropical hardwoods. The survey showed certified hardwood material coming from Poland with no premium and from Germany and France with only a small premium attached.

The survey noted that the US certified supply situation is complicated by that sector's heavy dependence on large numbers of non-industrial forest owners and by the fact that most product is sold into the domestic market where there is little demand for certified product. As a result only a very small proportion of American hardwood shippers are prepared to stock certified product and those that do generally require a premium of between 8% and 15% depending on species.

3.2. China

3.2.1. WWF Report on China's wood market

The WWF has released a report on "China's Wood Market, Trade and Environment". It argues that due to its rapidly rising demand for wood, China is set to lead the world's wood market with devastating impacts on the world's forests without major changes in the country's procurement policies.

Particularly startling are the reports estimates of current wood based products consumption, based on assessment of real wood equivalent for all products including paper, board, solid wood, panels, and wood furniture. These suggest that China's domestic wood based products consumption currently amounts to 138 million m³ per year, while an additional 35 million m³ are exported as value added products. This compares with domestic log production of only 79 million m³. The balance, of 94 million m³, must be imported. The report forecasts that real wood equivalent import volumes will rise to 125 million m³ by 2010.

The report notes that more than half of the timber currently imported by China comes from countries – notably Russia and Indonesia - which are struggling with problems of over-harvesting, conversion of natural forests and illegal logging. The report notes that the average Chinese citizen uses 17 times less wood than a person in the US, suggesting huge potential for future market expansion.

The report can be downloaded at:

http://www.panda.org/about_wwf/what_we_do/forests/publications/publication.cfm?uNewsID=18790&uLangId=1

3.2.2. New Global Forest and Trade Network

WWF launched a China Forest and Trade Network (FTN) in March 2005. Preliminary targets for the Network, which aims to promote uptake of FSC certification, are government-run forestry agencies in China. So far, GFTN has gained commitments from the Baihe Forestry Bureau in Jilin province and the Youhao Forestry Bureau in Heilongjiang province which together run around 500,000 out of the country's 163 million hectares of forest.

4. National forest policy

4.1. Indonesia

4.1.1. ENGO report spurs rapid government response

A new report providing evidence of a huge illegal trade in merbau logs from the Indonesian state of Papua has spurred the Indonesian authorities to action.

The report prepared by the Environmental Investigation Agency, working with the Indonesian NGO Telapak, alleges that 3.6 million m³ of merbau logs are being smuggled out of the state every year. It is alleged that the majority is destined for the Asian flooring manufacturing sector, particularly in China. The report claims the trade is being organised by powerful syndicates of brokers and fixers, spanning Indonesia, Malaysia, Singapore, India and China. Government, army and police officials are accused of complicity. Most of the merbau timber is destined for flooring factories clustered south of Shanghai. EIA/Telapak claim that while the syndicates make a fortune from this trade. Local communities in Papua are paid only around \$11/m³ for merbau logs worth around \$240/m³ at point of import into China.

Publication of the report generated a knee-jerk response from the Indonesian government. According to local newspaper reports, Indonesian President Yudhoyono has "declared war" on the smuggling operations. The President, following a special cabinet meeting on the issue, gave the national police chief two weeks to start major investigations into the activities of 32 cukongs (robber barons) and their protectors in high places with the aim of bringing charges.

The police chief immediately set up a 1500 member investigative task force to implement the presidential order. It consists of officials from the police, military, Attorney General's Office, Ministry of Forestry, immigration office, and Customs. It will undertake a two-month field operation under the name "Hutan Lestari", or "sustainable forest". The government has allocated Rp 12 billion (US\$1.3 million) out of the state budget to fund the team's operations. The police chief requested that the Navy dispatch its patrol ships to Papua waters to stop the smugglers from shipping out the illegal timber. Fraud squad detectives would also launch investigations into the local bank accounts of the people suspected to be financing the illegal logging activities.

Investigations are specifically targeting 19 people who are allegedly providing financing for the illegal logging and smuggling activities in Papua.

The Indonesian police also issued a statement countering allegations that they have been slow to respond to the illegal logging problem. They claim that last year, police investigated about 880 cases of illegal logging and 999 suspects were arrested. They claim to have confiscated around 287,800 cubic meters of Indonesian timber worth around Rp 344 billion.

4.1.2. CIFOR warns against over-emphasis on Indonesian trade

An opinion piece recently published by Krystof Obidzinski, a researcher at the Center for International Forestry Research (CIFOR) based in Indonesia, warns against an over-emphasis on trade measures to tackle illegal logging. It notes that "*while the smuggling of illegal timber is a major area of concern, it would be wrong of the public to think that illegal logging can be overcome by stopping the smugglers.....measures to combat other illegalities in the forestry sector are equally important. The media can help fight illegal logging by also reminding the public that widespread abuse in the forestry sector is happening daily through licensed and unlicensed forestry operations.*"

Obidzinski notes that CIFOR research has identified numerous forms of illegal operation in Indonesia including operations cutting out of block; logging companies pretending to be stagnant while in fact they extract timber; land-clearing (IPK) permits issued for dubious plantation schemes; log/sawn timber production being under-reported and shipping documents illegally altered; logging and woodworking enterprises routinely evading taxation; and small scale, unauthorized logging.

Obidzinski notes that illegal logging operations cause serious budgetary losses to Indonesian government authorities. They also cause severe environmental damage. But the problem is complicated by the fact that these operations also generate employment opportunities, particularly for the unskilled labor force. For example, CIFOR research indicates that in 2003 unlicensed forestry operations in the Indonesian district of Berau generated 4,000 jobs, while licensed operations created 2,000 jobs.

Obidzinski suggests the problem requires a comprehensive solution. The underlying objective must be to make illegal forest activities more costly and less profitable by supplementing law enforcement measures with other initiatives. These should include:

- reducing the overcapacity of Indonesia's woodworking industries;
- implementing bilateral timber trade agreements;
- creating incentives for Indonesian timber producers through certification schemes;
- and supporting grass-root pressure for greater accountability and transparency in the district forestry sector;

4.2. Nun's murder spurs on drive to regulate Amazonian forestry

The murders on 12 February of U.S.-born nun Dorothy Stang and three rural activists in the northern Brazilian state of Pará has encouraged the Brazilian government to implement new forest protection legislation in the Amazon. Stang had been working closely with poor migrants in Para state to develop sustainable development projects in which of the land would stay as forest. She was murdered by logging and land-grabbing interests who claimed ownership over the land earmarked for these projects. Immediately following the murder, the Brazilian government announced new legislation aimed at protecting a total of 13.4 million hectares of forest, an area four and a half times the size of Belgium, and at strengthening state control over Pará.

The government decided to set up an "integral management cabinet" in Pará and to send in 2,000 troops to bring order into an area plagued by violent conflicts over land rights.

The government also decided to move faster in sending a bill on the administration of public forests to Congress. The new law would regulate the sustainable use of forestry resources on state-owned land, through concessions to companies or local communities. The aim would be to shift away from the current cycle of illegal occupation followed by exploitative logging and deforestation in the region.

The government also proposed another tough measure to ban logging over the next six months on 8.2 million hectares along the BR-163 highway. Plans to pave the road, which crosses the western part of the state of Pará, in the near future have fuelled illegal land-grabbing by speculators, landowners and settlers, and aggravated the tension. However, with continuing fierce opposition to this measure from logging and landowner interests, it is still uncertain whether it will be implemented.

4.3. Congo region

The Inter-African Forest Industry Association (IFIA) recently announced progress in the development of FORCOMS (Forest Concession Monitoring System for Central Africa). This system of independent and voluntary monitoring of forest concessions is currently in its first operational phase. FORCOMS was initiated by the Global Forest Watch (GFW), World Resources Institute (WRI), World Conservation Union (IUCN), and IFIA.

The system aims to inform governments, timber buyers, and civil society of the progress being made by concession holders in the region to implement sustainable forest management plans. WRI-GFW has been undertaking field studies to test monitoring procedures and feasibility of the system in Cameroon, Republic of Congo, and Gabon. So far efforts have been funded by USAID. Further funding is now being sought from the ITTO with the aim of expanding coverage to a wider range of

concessions over the next 3 years. A steering committee meeting is due in April 2005 to discuss the results of the trials and to finalise the operation and financial structure of the system.

5. Environmental campaigns

5.1. WWF target Bulgaria

WWF claim that up to 45% of the total harvest in Bulgaria stems from illegal harvesting. It is alleged that the annual allowable cut in Bulgaria is exceeded by 1.5 million m³, posing an enormous threat to the development of sustainable forestry as a whole. Key factors contributing to the illegal harvesting level in Bulgaria, according to the study, are violations of current legislation, corruption, fraud and loopholes in forest legislation. There is lack of capacity to enforce legislation and too little incentive for good forest management.

5.2. Greenpeace target Stora Enso

Greenpeace have been writing to customers of StoraEnso requesting that they put pressure on the company to stop purchasing logs derived from the sami reindeer herding districts in northern Finland. According to Greenpeace, the logs harvested by the Finnish state logging company in the region are mainly purchased by Stora Enso for paper production. So far Xerox has responded to the Greenpeace campaign, stating that it will adopt a new procurement policy designed to ensure that suppliers do not source timber from "old-growth forests, conservation areas or other areas designated for protection".

5.3. Greenpeace target Portuguese imports from Brazil

In March 2005, activists from Greenpeace and Quercus, the largest environmental organisation in Portugal, blocked the arrival into Portugal of a cargo ship which they claim contained "around a quarter million US dollars worth of illegal Amazonian logs". The activists claimed the wood derived from "at least four companies convicted in Brazil of supplying illegal timber". According to Greenpeace, "one of them, Milton Schnorr, has been fined for illegal logging in 2001, 2002 and 2004 whilst the owner of Rancho da Cabocla, Moacir Ciesco, was arrested in December for his company's illegal timber extraction on public land". The aim of the campaign was "to challenge the new Portuguese Government to take a strong public stand in full support of the European Union's (EU) action plan to tackle the trade in illegal timber and to back new European legislation to prohibit the import of illegally logged timber."

6. Future meetings

SUSTAINABLE FORESTRY IN THEORY AND PRACTICE: RECENT ADVANCES IN STATISTICS, MODELLING AND KNOWLEDGE MANAGEMENT, to be held 4–7 April 2005 in Edinburgh, Scotland. IUFRO. Contact: Keith Reynolds, USDA, Forest Service, Pacific Northwest Research Station, Corvallis, OR, USA; Tel 1–541–750 7434

FSC GLOBAL PAPER FORUM 2005, to be held at the FSC International Center in Bonn, Germany on April 21-22, 2005. It is envisaged that the agenda include: sourcing and supply of FSC certified inputs; marketing and promotion of FSC certified products; chain of custody implementation update; presentation of FSC Global Paper Forum Business Plan; and dialogue and discussion.

ITTO WORKSHOP ON PHASED APPROACHES TO CERTIFICATION: This workshop is scheduled to be held in April 2005 in Bern, Switzerland, and aims to promote the use of phased approaches to certification in tropical timber exporting countries. For more information contact: Manoel Sobral Filho, ITTO Executive Director; tel: +81-45-223-1110; fax: +81-45-223-1111; e-mail: itto@itto.or.jp; internet: <http://www.itto.or.jp>

FOREST LANDSCAPE RESTORATION IMPLEMENTATION WORKSHOP: This country and organization led initiative in support of the UNFF is expected to meet in Petropolis, Brazil in April 2005. For more information, contact: Carole Saint-Laurent, Coordinator, Global Partnership on Forest Landscape Restoration; tel: +1-416-763-3437; e-mail: CarSaintL@bellnet.ca; internet: <http://www.unep-wcmc.org/forest/restoration/globalpartnership>

UNFF-5: The fifth session of UNFF is scheduled to be held from 16-27 May 2005, at UN headquarters in New York. This meeting will represent the conclusion of UNFF's five-year mandate and is the final opportunity for delegates to discuss the future of the international arrangement on forests. For more information, contact: Elisabeth Barsk-Rundquist, UNFF Secretariat; tel: +1-212-963-3262; fax: +1-917-367-3186; e-mail: barsk-rundquist@un.org; internet: <http://www.un.org/esa/forests>

ITTC-38: The 38th session of the ITTC and Associated sessions of the Committees will convene from 21-24 June 2005, in Brazzaville, Republic of Congo. For more information, contact: Manoel Sobral Filho, ITTO Executive Director; tel: +81-45-223-1110; fax: +81-45-223-1111; e-mail: itto@itto.or.jp; internet: <http://www.itto.or.jp>

PEFC GENERAL ASSEMBLY 2005, to be held in Luxembourg in October 2005.

FSC GENERAL ASSEMBLY 2005, to be held in Manaus, Brazil from December 7th to 9th