

**Report for AF&PA**

**Trade and Environment  
Program in Europe**

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“INFORMING THE SUSTAINABLE WOOD INDUSTRY”

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## Consultants commentary and highlights

The onward progress of forest certification continues apace. During the opening quarter of 2006, FSC certified forest area increased by 8%, while the number of FSC chain of custody certificates issued increased by 6%, with the most notable gains in the Far East. In the same period, PEFC certified area increased only marginally, but the number of PEFC chain of custody certificates increased by 9%, with nearly all the gains in PEFC's core European market.

Asia has now emerged as a major battle ground for market share in forest certification, with FSC the clear leader at present. FSC is now hoping to consolidate this position with the launch of an FSC National Initiative in China in March. However PEFC is also gaining adherents in Asia, boosted by the PEFC Asia Promotions Initiative. Some indication of the potential to expand PEFC in Asia came recently at a PEFC seminar in Japan which was heavily over-subscribed.

In Europe, both FSC and PEFC have been reassured by a European Parliament statement to the effect that both schemes should be regarded as equally suited to the task of promoting sustainable forest management.

On-ground certification is now expanding most rapidly in the Russian Federation. At present this is all under the FSC banner, but an alternative national certification scheme is soon expected to be put forward for PEFC endorsement. The Russian Federal Government also pointedly referred to its intention to facilitate development of a "national" certification scheme as part of a wider action plan to tackle illegal logging announced in April 2006.

Illegal logging is still close to the top of the political agenda in many countries. The European Commission recently reported "encouraging progress" in the implementation of the FLEGT Action Plan, with the main focus on negotiation of Voluntary Partnership Agreements with countries known to have a problem with illegal logging, and on organising development assistance in these countries. NGOs continue to push for more tougher legislation in the EU targeting imports of illegally sourced wood products. But for the time being, the European Commission seems more concerned to make the existing program work.

Moves to develop public procurement policy avoiding illegally sourced wood products continue apace in several countries. The Japanese government has just announced a policy to be imposed by all government departments requiring suppliers to public sector contracts to provide evidence that wood is derived from legal and sustainable sources. It differs from similar policies in the UK and the Netherlands by including recognition of auditable industry codes of conduct as an alternative to forest certification/chain of custody as a means of demonstrating conformance.

The UK government is now struggling over whether to extend its criteria for assessing certification schemes to encompass social elements. It has also announced that PEFC's "sustainable" status remains on probation. Also in the UK, the long-awaited 2006 guidance for the ecohomes standard – a part of BREEAM – has finally been released. BREEAM is now widely acknowledged as a more important driver of demand for certified wood in the UK even than public procurement policy. The 2006 guidance includes some very positive elements for wood, but eyebrows have been raised in the European wood industry over the decision to put PEFC in a lower tier to FSC, CSA and SFI, apparently without any clear justification.

Elsewhere, Spain has passed a new law giving public authorities in the country a mandate to develop timber procurement policies, although responsibility for the actual content of these policies will be left entirely in the hands of authorities operating at national, regional and local level. The extent to which this process will be co-ordinated remains to be seen. The German government is understood to be close to finalising a catalogue of criteria for assessing forest certification schemes, with early indications that the approach will be reasonably pragmatic allowing recognition of a wide range of schemes. Belgium has announced a policy favouring FSC and several national PEFC schemes over SFI, CSA, and various other PEFC schemes (including those in Finland, Sweden, Australia and Brazil).

# 1. Development of Forest Certification in Europe

## 1.1 Program for the Endorsement of Forest Certification (PEFC)

### 1.1.1 Status and area

**Table 1: Latest Status PEFC (31/03/2006)**

	Certified forest area (ha)		Number of C-O-C certificates*		Number of PEFC logo users	
	31-March-06	31-Dec-05	31-Mar-06	31-Dec-05	31-Mar-06	30-Dec-05
Australia	5157003	5166190	1	1	5	5
Austria	3374000	3924000	282	290	143	143
Belgium	244270	244270	60	55	53	41
Brazil	762657	0	0	0	0	0
Canada	69209277	69209277	48	48	2	1
Czech Republic	1944560	1944560	258	206	174	162
Denmark	13758	13617	8	6	13	10
Finland	22150982	22367196	105	92	106	109
France	3988673	3980989	874	814	8223	7431
Germany	7178895	7024371	598	584	7474	7295
Hungary	0	0	1	1	1	1
Chile	1552420	1552420	9	8	6	6
China	0	0	1	0	1	0
Italy	607651	607345	30	26	52	40
Japan	0	0	12	10	7	7
Latvia	37860	37860	14	14	262	262
Luxembourg	17088	16627	3	2	9	3
Netherlands	0	0	13	7	6	3
Norway	9231700	9231700	6	6	17	17
PEFC Council	0	0	0	0	30	29
Portugal	50012	50012	1	1	1	1
SFI - USA & Canada	54376769	54376769	0	0	0	0
Spain	365840	393498	29	38	45	103
Sweden	6707314	6648752	51	61	71	118
Switzerland	<i>suspended</i>	-	-	-	-	-
UK	9125	9125	162	120	70	35
<b>Total</b>	<b>186979857</b>	<b>186798508</b>	<b>2566</b>	<b>2362</b>	<b>16771</b>	<b>15822</b>

In the past three months, the total forest area certified against PEFC standards increased by about 180,000 hectares. Gains during the period included 760,000 hectares in Brazil with the addition of the first certificates issued under the Cerflor scheme; an additional 150,000 hectares certified in Germany; and an additional 58,000 hectares in Sweden. Just to emphasise that forest certification is not a one-way street, these gains were offset by a decline of 550,000 hectares in Austria, 215,000 hectares in Finland, and 27,000 hectares in Spain.

With the endorsement of Cerflor Brazil, PEFC products are now available from a major tropical supplier, albeit the current Cerflor certified forests are eucalypt and pine plantation forests. Cerflor is developing a standard for the sustainable management of natural forests.

In Germany, PEFC certified forests now account for almost 75% of the country's total forest area, compared to only 5% certified against the FSC standard.

Chain of Custody (CoC) certification has continued to increase rapidly in Belgium, Czech Republic, Finland, France, Germany and the UK. There are two main forces driving this trend: the evolution of public procurement policies in Europe; and, probably more significant, big players in the softwood sector are now demanding CoC certification from their core suppliers (e.g. Stora Enso, UPM). However gaining CoC certification remains a burdensome exercise for most companies. The UK Timber Trade Federation recently launched a support program for its members to gain

CoC certification more efficiently and at discount prices.

Regarding the endorsement of national schemes, Lithuania, Poland and Slovenia have submitted their systems for PEFC endorsement, and Austria and Estonia are awaiting the Council's re-endorsement. PEFC's national body in Russia, the National Council on Voluntary Forest Certification in Russia (RSFC), aims to achieve PEFC endorsement within the next few months. Public consultation on the Russian scheme ended in March and the final standards will be submitted to the PEFC Council shortly. The system's normative requirements include a standard of sustainable forest management and a Chain of Custody Standard.

PEFC recently boosted efforts to establish the brand in the paper sector. The scheme gained several key customers in the sector in Austria, Germany, Finland and France.

### **1.1.2 European Parliament regards FSC and PEFC equal**

As a potential move forward towards mutual recognition of PEFC and FSC in Europe, the European Parliament announced in a report that it regards the two schemes equally suitable for promoting sustainable forest management. The Parliament welcomed efforts by European forestry interests to reassure customers of sustainable practices taking account of the multifunctional role of forests. The full text of the resolution is available at:

<http://www.europarl.eu.int/oeil/file.jsp?id=5241922>

### **1.1.3 The PEFC Council lifts suspension of the Swiss Q-label**

The PEFC Council lifted the suspension of the Swiss Q-label forest certification system, and forests certified against the Swiss Q-label are again endorsed by PEFC. The wood can be labelled with the PEFC logo and claims. The lifting of the suspension is the result of the Q-label's adoption of changes ensuring compliance with PEFC requirements.

### **1.1.4 PEFC marketing in Asia**

PEFC Council Secretary General Ben Gunneberg recently met with representatives of relevant forestry and trade interests, including both public and private sector bodies, in China and Japan during a tour of the country. This formed parts of PEFC's efforts to gain a foothold in the Far East, partly a response to the success of FSC in establishing links with various interests in the region, notably in the Chinese State Forest sector and Japanese paper industry.

Gunneberg's tour coincided with a PEFC promotion seminar in Tokyo held in February which, according to PEFC's own reports, generated "overwhelming interest" from Japanese companies. The event was organized by the PEFC Asia Promotions Office in cooperation with the Japanese certifier, Japan Gas Appliances Inspection Association (JIA). Speakers from PEFC Asia Promotions, JIA and two Japanese PEFC certified companies, Dai-Nippon Printing Co. Ltd and Meiji Seika Co. Ltd., presented the benefits and opportunities of PEFC certification. As the first seminar was over-subscribed, a second seminar was held in March 2006.

Shortly after Gunneberg's tour, PEFC were able to announce the award of the first PEFC chain of custody certificate in China, to Chinafloors Timber (Shanghai) Co., Ltd. producer of wooden floorings.

More details of PEFC Asian Promotions are available from Mr Haruyoshi Takeuchi at the Asia Promotions Office, Tel. +81 3 6202 7645 Fax. +81 3 6202 7676.

More details of the latest PEFC developments are available at:

[http://www.pefc.org/internet/resources/5\\_1184\\_1311\\_file.1521.pdf](http://www.pefc.org/internet/resources/5_1184_1311_file.1521.pdf)

## 1.2 Forest Stewardship Council

### 1.2.1 Status and area

**Table 2: Change in FSC certified area by region (in million hectares)**

	1 Dec 2004	21 Dec 2005	31 Mar 2006	Change Dec 04- Dec 05	Change Dec 05- Mar 06
N. America	9.7	21.2	23.3	+19%	+10%
W. Europe	12.7	13.9	15.1	+9%	+9%
E. Europe	12.4	14.4	13.3	+16%	-8%
Asia	0.4	1.1	1.1	+75%	0%
Latin America	6.4	8.1	8.8	+26%	+9%
Africa	1.9	1.7	2.1	-10%	+24%
Russia	2.1	6.7	8.9	+119%	+33%
Oceania	1.2	1.3	1.3	+8%	0%
<b>All</b>	<b>46.9</b>	<b>68.4</b>	<b>73.9</b>	<b>+46%</b>	<b>+8%</b>

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

	Dec 04	Dec 05	Mar 06	No. Change Dec 04- Dec 05	No. Change Dec 05- Mar06
<b>World</b>	<b>4100</b>	<b>5103</b>	<b>5405</b>	<b>1003</b>	<b>+302</b>
<b>Europe</b>	<b>2263</b>	<b>2911</b>	<b>3084</b>	<b>+648</b>	<b>+173</b>
UK	419	469	556	+50	+87
Germany	341	453	460	+112	+7
Poland	306	351	355	+45	+4
Nethlds.	230	293	307	+63	+14
Switzld.	210	271	287	+61	+16
Sweden	125	128	126	+3	-2
Italy	90	137	155	+47	+18
Belgium	77	79	82	+2	+3
Latvia	89	93	96	+4	+3
Denmark	51	60	62	+9	+2
France	66	99	106	+33	+7
Ireland	22	22	23	0	+1
<b>America</b>	<b>1104</b>	<b>1273</b>	<b>1351</b>	<b>+169</b>	<b>+78</b>
USA	522	582	621	+60	+39
Brazil	218	244	248	+26	+4
Canada	132	167	189	+35	+22
Chile	37	41	41	+4	0
<b>Asia</b>	<b>481</b>	<b>675</b>	<b>728</b>	<b>+194</b>	<b>+53</b>
Japan	221	314	322	+93	+8
Vietnam	67	84	92	+17	+8
China	80	132	152	+52	+20
Malaysia	46	61	64	+15	+3
Indonesia	28	32	32	+4	0
<b>Africa</b>	<b>167</b>	<b>152</b>	<b>151</b>	<b>-15</b>	<b>-1</b>
S. Africa	145	129	126	-16	-3
<b>Oceania</b>	<b>85</b>	<b>92</b>	<b>91</b>	<b>+7</b>	<b>-1</b>
New Zld.	72	72	67	0	-5

With an increase in certified forest area of 8% in the first three months of 2006 to reach 74 million hectares, FSC seems to be maintaining the momentum apparent in 2005 when total area increased by 46%. As expected, Russia is the main area of FSC expansion at present, while rate of expansion in Canada is slowing now that a large proportion of the commercial forest estate in the country is already certified to one scheme or other.

Although the area is still small, the 24% increase in African certified forest area during the first 3 months of 2006 has long term significance. Until recently no forests in the major tropical supplying regions of central and west Africa – a key source of hardwoods for the European market – were certified under any scheme. However, this has changed recently with the FSC certification of 42,000 hectares of forest concessions in Cameroon managed by Wijma, a Dutch company that specialises in supply of heavy hardwoods into Europe. Another much larger concession in the Congo Republic managed by CIB is also now close to achieving FSC certification, while several other large European owned companies operating in the region have also recently announced their intention to pursue eventual FSC certification. FSC seems now to be the certification scheme of choice for these companies in most tropical African nations. PEFC's efforts to expand into Africa seem currently to be restricted to Gabon.

FSC recently announced another significant event in tropical forest certification. With technical and financial support from WWF, a concession in Guyana became the largest FSC certified natural forest (570,000 hectares).

FSC chain of custody (CoC) certification continued to expand rapidly in the first quarter of 2006. Around 300 chain of custody certificates were issued worldwide during the period taking the total to 5405, still well ahead of the PEFC total of 2566. Particularly notable is the pace of uptake in Asia in recent times, notably in the Japanese paper sector, and amongst Chinese companies supplying European and North American retailers.

### ***1.2.2 FSC launches China National Initiative***

The Forest Stewardship Council (FSC) launched the FSC China National Initiative on March 28, 2006 in Beijing. About 50 guests from the government, educational institutions, international organisations, associations, certification bodies and the media celebrated this event, which marked the beginning of FSC's official presence in China as well as the first formal steps toward the development of a forest certification scheme specifically for China.

### ***1.2.3 Swiss WWF buyers group gains record sales in FSC products***

According to an analysis of sales data issued in late 2005, FSC-certified product sales by the 24 companies in the Swiss WWF Forest and Trade Network ('WWF Wood Group Switzerland') during 2004 reached CHF 93 million, around 40% up on the previous year and eight times greater than in 2000. Increases were particularly significant in the garden furniture and the "do-it-yourself" sector. According to the WWF Wood Group Switzerland, this is evidence that the companies have lived up to their commitments to steadily increase the proportion of FSC products in their range.

### ***1.2.4 FSC establishes an independent accreditation business entity***

In order to ensure closer alignment with international norms for accreditation and certification, FSC has established ASI, the Accreditation Services International GmbH, as a separate entity responsible for accreditation of FSC certification bodies. This seems to tackle one of the key criticisms of the FSC certification system, that FSC combines within one organisation the role of standards-setting body and accreditation, and that it has failed to demonstrate accreditation quality management in accordance with international requirements set out in ISO/IEC 17011.

ASI's stated aims are to deliver a more credible, transparent and independent Accreditation Program. ASI provides independent accreditation and monitoring services to the FSC Global Network and also to other national, regional and international certification schemes. According to FSC, the company has been designed "to deliver effective and equitable services to certification bodies and market partners, in the North as well as in the South, and also to provide a credible 'endorsement link' between standards, certificate holders, certified products and trademark users".

ASI operates with a newly revised Quality Management System designed to ensure that its technical accreditation procedures are consistent with the international accreditation norms, including the requirements of ISO/IEC 17011. Over the next three years, ASI activities will include further improving its oversight systems by developing additional tools to monitor chain-of-custody and trademark use, developing and implementing an FSC training framework and diversifying the services ASI can offer.

### ***1.2.5 FSC staff turnover***

Contacts suggest that the FSC International office in Bonn, Germany, is currently dealing with major staff changes. Half a dozen of the key staff are reported to be leaving the organisation. This apparently has nothing to do with the organisation's core values and prospects, but many of the

employees are said to be 'burned out' after a couple of years in the NGO business.

## **2. International Agreements and institutions**

### **2.1 European FLEGT**

#### **2.1.1. EC reports "encouraging progress"**

At a recent presentation to the UNECE Timber Committee, Jeremy Wall speaking on behalf of the European Commission noted that "encouraging progress has been made with the FLEGT Action Plan". However, important work must now take place to make it fully operational, notably to negotiate FLEGT voluntary partnership agreements (VPAs) with key supply countries where illegal logging is known to be a problem; and to plan development assistance to support these partnership agreements. So far no country has yet agreed a VPA, but negotiations are reasonably well advanced in several countries (see section 2.2.1).

The European Commission has put out to tender a 2.5 million euro contract for a FLEGT Support Programme. A wide range of organisations have tended for the contract that involves:

- Support for FLEGT Consultative Processes and Dialogue;
- Logistical support for stakeholder meetings;
- Provision of advice and guidance to establish legality licensing procedures in VPA countries (including log tracking systems and independent monitoring);
- Training customs authorities in international timber classification and labeling norms;
- Collection and analysis of forest trade statistics;
- Technical, economic and legal studies related to the forest sector;
- Communication and media inputs to the FLEGT process.

The European Commission is also engaged in a process to spread lessons from existing green procurement policies throughout the EU. This seems to involve, at this stage, a series of meetings bringing together public procurement officials from different countries.

The European Commission is also actively supporting private sector partnerships with the aim of eradicating illegal timber from EU importers' supply chains. The key initiative at this stage is the "Timber Trade Action Plan" involving four EU trade federations (UK, Netherlands, Belgium, France, accounting for 40% of tropical timber imports) that are working with developing country suppliers to help them adapt to the changing European market and supply legal timber. TTAP will produce guides, tools and research over its five years of operation. These will be developed and field-tested by the project partners and will be made publicly available by TTAP (at [www.timbertradeactionplan.info](http://www.timbertradeactionplan.info)). Publications will include a study of external influences on timber traders, a guide to Chain of Custody (CoC) and Service Providers, a Risk Assessment Tool, an assessment of the Impacts of Legality Compliance a Market Preference Study, CoC and Auditing standards and a Guide to Legality.

#### **2.1.2 Additional legislative options being considered**

While the European Commission is focusing on the immediate need to develop and implement VPAs, other interests are pushing for further legislation specifically targeting European imports of illegal wood products. A range of studies have been undertaken, co-ordinated by the Royal Institute of International Affairs (Chatham House) based in London, to consider the legislative options in various European countries. Two of these studies were recently made available at the Chatham House [www.illegal-logging.info](http://www.illegal-logging.info) website.

Chatham House's own report ('Illegal Logging: Use of the Civil and Criminal Law to Address Imports of Illegally Logged Timber') considers legal mechanisms in the UK. It concludes that no existing legal process provides a comprehensive means to address imports of illegally logged timber into the UK. The report discusses the possibility of a Lacey-Act approach in the UK,



concluding that this would have potential to accommodate a wider range of “illegal” operations in the wood industry, but that successful operation would be dependent to some extent on the willingness of enforcement agencies in the exporting states to cooperate.

A report commissioned by the Spanish government concludes that, in theory, Spain’s existing criminal law offers sufficient mechanisms for a criminal prosecution for behaviour associated with “illegal logging”. Sanctions that may be imposed under existing legislation include confiscation of goods which are the object of the crime plus all their derived effects, and fines and/or prison for the guilty parties. However, the report also highlights the practical difficulties of actually achieving a prosecution, including the very real difficulties of obtaining verifiable evidence and the necessity for coordination between a wide range of bodies in different countries.

More information:

<http://www.illegal-logging.info/documents.php#340>

### **2.1.3 Debate over inclusion of social criteria in public procurement**

A key issue exercising the minds of European public procurement officials (and their legal advisors) is the extent to which “social criteria” may be considered in public sector procurement policy. The problem arises because most definitions of “sustainable” forestry indicate that this should establish a reasonable balance between economic, environmental, and social management objectives. However, European Public Procurement Directives – which have been developed to ensure conformance with WTO trade rules and provide the framework for development of member state procurement policies – state that these policies must be “directly related to the subject matter of the contract.” Current European guidance to the Directives states that public procurement policies should cover “only requirements directly related to the production of the goods in question and contributing to their characteristics.”

National governments in Europe have interpreted this guidance in different ways. For example, the UK government has, until now, taken the view that the Directive allows timber procurement policies to refer to the direct environmental and sustained yield aspects of timber production, but not to broader social issues such as rights of labour and indigenous people. However, the Dutch, Danish and Belgian governments have taken a different view and have included social criteria as a condition for timber suppliers to demonstrate “sustainability”.

In the belief that the introduction of social criteria will boost prospects for FSC certification over other forms of certification, NGOs have been pressing the UK government hard to amend their criteria to include social aspects of forest management. Following a recent meeting between UK, Danish, and Dutch procurement officials, there are now signs that the UK government may be wavering in their original decision to omit social elements. The UK government has commissioned a report from Proforest, the consultancy acting as their Central Point of Expertise on Timber (CPET), on social criteria. This has now been completed (but not made publicly available) and issued to the Office of Government Commerce (OGC) for their feedback before UK government takes a final decision.

*A spokesperson for UK government recently noted that this issue of social criteria “is all still very much ‘under review’, our main concerns are if this is feasible or not, if it can realistically be actioned in a mandatory policy and whether or not this will be consistent with our existing policy. We are waiting to hear back from OGC on the CPET paper before meeting to discuss the findings.”*

One other key issue, particularly being pushed by UK timber industry interests, is the implication of including social criteria on timber for procurement of alternative products. If social criteria are adopted for timber, then surely they should also be imposed on non-wood products.

The issue is likely to be discussed again at another meeting for European procurement officials to be hosted by Denmark in September.

## **2.2 African FLEG**

### **2.2.1 Negotiation of Voluntary Partnership Agreements**

After Ministerial meetings between African partner countries and the EU, European countries are involved in negotiating the terms of possible Voluntary Partnership Agreements with several African nations. France is leading negotiations with Gabon and Congo Brazzaville, Germany with Cameroon and the UK with Ghana.

The negotiations are regarded as highly sensitive so no details on the status of the discussions have been communicated to date. It is clear however that most potential partner countries in Africa have serious weaknesses in their forest administration and management systems that would need to be resolved in order for VPAs to come into force. Major concerns for potential partners are the high costs of running credible "legality licensing schemes", the role of existing legal frameworks and private sector forest certification schemes, and the impact on international competitiveness. Of all African countries, Ghana seems closest to reaching agreement. There are also indications that social criteria are an important topic for African partner countries in the context of defining acceptable standards for legality verification.

### **2.2.2 Update on satellite imagery of Cameroon**

The World Resources Institute (WRI) and Cameroon's Ministry of Forest and Environment are developing an updated version of their Atlas which shows newly constructed logging roads detected with satellite imagery. The programme aims to increase technical capacity for creation of consistent and reliable data on forest concession and protected area boundaries, management plans, the location of logging roads and other information needed for monitoring legality.

<http://www.globalforestwatch.org/english/interactive.maps/>

## **2.3 Asia FLEG**

### **2.3.1 Japan adopts purchasing policy**

From 1<sup>st</sup> of April 2006, all forest goods and services purchased by the State of Japan must be harvested in a legal and sustainable manner. The policy was adopted under the "Law Concerning the Promotion of Procurement of Eco-Friendly Goods and Services by the State and Other Entities" and applies to all Government entities. The Japanese Forestry Agency has issued a provisional translation of a new "Guideline for Verification on Legality and Sustainability of Wood and Wood Products", which is available at <http://www.rinya.maff.go.jp/policy2/ihou/eiyaku.pdf>.

Several methods of compliance are identified in the Guideline including: forest management and chain of custody certification; use of an industry-based verification method (supplying companies sign up to a code of conduct that provides assurances to the next supply stage that all wood supplied is verified legal and/or sustainable timber); and a company-determined method of verification.

Under the forest certification option, the guidelines refer to a number of schemes as examples of appropriate methods of compliance for wood from specific areas: Europe - FSC, PEFC; US - FSC, SFI; Canada - FSC, SFI, CSA; South America – FSC; South seas - FSC, MTCC, LEI; Australia - FSC, PEFC, New Zealand – FSC; Africa – FSC; Japan - SGEC, FSC.

The guideline will be assessed and reviewed by a "multi-stakeholder" group comprising associations for forest owners, forestry and wood industry, academics, and environmental NGOs and "amendments may be made as occasion demands".

### **2.3.2 Indonesia launches multi-stakeholder dialogue on forest sector transparency**

The Indonesian Ministry of Forestry has launched a national dialogue on forest sector transparency. The dialogue will involve government agencies (Ministry of Forestry, Ministry of Trade, Ministry of finance, Customs, Anti Corruption Commission, Attorney General Office, Police, and Financial Transaction Reports and Analysis Center), NGOs, private sector groups and international partners.

*According to the World Bank, the initiative “demonstrates the firm intent and resolve of the Indonesian government to advance good governance and transparency in the forest sector, and provides a high-level mandate and strong impetus for ongoing efforts to combat illegal logging and associated trade. The initiation of this dialogue is seen as an important milestone in the ongoing process of building a multistakeholder constituency that can work together effectively to improve transparency and governance in Indonesia’s forest sector.”*

## **2.4 ENA FLEG**

### **2.4.1 Russia announces national action plan**

At a recent news conference in Moscow, the Federal Forestry Agency of Russia has presented its concept for an ENA FLEG Action Plan for the country. The plan has been developed following a formal instruction from the Russian government (No. АЖ-П9-233 on 26 January 2006) and based on commitments made in the Saint-Petersburg Declaration of Ministerial Conference ENA-FLEG in November 2005.

The plan identifies the main causes of illegal logging in Russia as follows:

- High levels of internal and external demand for illegal wood;
- High profits generated by illegal logging;
- High levels of jobless population and low incomes in forested areas;
- Inadequate forest, penal, administrative, and customs legislation;
- Lack of effective enforcement practice;
- Inadequate assessment of forest resources;
- Poor control over the use of forest resources;
- Poor tracking of wood movement from the logging site to the consumer;
- Lack of interagency cooperation to prevent illegal logging and associated trade.

An effort is made to estimate the level of illegal logging in the country. It is noted that the World Resources Institute estimates illegal logging at around 10-15% of total volume produced. Estimates based on assessment of the “Harvesting-Consumption Balance” confirm this estimate. Data gathered by the Russian authorities indicates that total official annual log production in the country amounts to around 185 million m<sup>3</sup> comprising 132 million m<sup>3</sup> of final harvest and 53 million m<sup>3</sup> of intermediate harvest. However total consumption amounts to 204 million m<sup>3</sup> each year comprising domestic consumption of 114 million m<sup>3</sup> and exports of 90 million m<sup>3</sup>. Therefore around 19 million m<sup>3</sup>, or 10% of total production, is not accounted for and may be illegally felled.

This estimate based on assessments of harvesting and consumption levels is significantly higher than the actual level of illegal logging identified directly by the authorities. On average each year, the authorities identify around 2 million m<sup>3</sup> of illegal logging, 66% involving harvests outside logging sites, and 34% logging in the absence of harvesting permits.

The Plan proposed by the Federal Forestry Agency identifies 5 “Building Blocks” to prevent illegal logging in Russia and the associated trade.

- Improving legislation of the Russian Federation
- Improving the state governance system
- Improving forest management
- Developing socio-economic mechanisms

- International cooperation

The plan places particular emphasis on the need to improve interagency cooperation and coordination between the complex array of government bodies responsible for forest management at national and regional level. It envisages the creation of a single interagency information system to improve record keeping, the use of and trade in forest resources and products, price and tax monitoring, and statistics on illegal activities.

The plan acknowledges the need to improve forest management through: enhancements to systems for forest resources inventory, logging licensing and long-term forest area leasing; development of remote sensing capability in forestry; and increased advocacy of forest conservancy.

The plan talks about use of market mechanisms. The Russian government intends to “*facilitate the national system of forest certification*”. It aims to: build the image of good business practices in forestry and establish supporting mechanisms; involve civil society in forest management, enhance environmental awareness of the public at large; and build up the market share of legal forest products.

The Plan also indicates that the Russian government will cooperate with the International Working Group of the ENA FLEG to develop a general understanding of the concepts, definitions and terms associated with the FLEG process, to improve the quality and flow of information, and to improve implementation of national strategies within the ENA-FLEG process.

More details are available at:

[http://www.illegal-logging.info/papers/Russia\\_Concept\\_FLEG\\_Action\\_Plan.ppt](http://www.illegal-logging.info/papers/Russia_Concept_FLEG_Action_Plan.ppt)

### **3. National Procurement Policies**

#### **3.1 Belgium**

On the 5<sup>th</sup> of April, the Belgium Minister for the Environment approved a list of acceptable certification schemes for public procurement. The list was proposed by an expert group on timber procurement consisting of 2 Government representatives (Ministries of Environment and External Relations), 1 NGO, 1 trade union and the Belgian Timber Importers’ Association (FBCIB). In four meetings from October to March, the group reached the following conclusion:

List A: All FSC and PEFC national schemes of: Austria, Chile (Certfor), Czech Republic, France, Germany, Denmark, Italy, Lithuania, Luxemburg, Norway, Portugal, Slovakia, Spain, UK.

List B: PEFC-Finland, PEFC-Sweden, CSA, SFI, Cerflor (Brazil) and AFS (Australia).

Schemes on list B are those on which the expert group could not reach consensus on their acceptability. The A-list is given preference over the B-list in public tenders. The MTCC was not approved for either list.

#### **3.2 Denmark to extend policy to include all timber**

In January 2006, the Danish government completed an extensive evaluation of their guidelines on public procurement of tropical timber. The evaluation was undertaken with input from a “contact group” over a period of 12 months. The contact group comprised a broad range of stakeholders including representatives from timber trade federations, timber purchase federations, major certification schemes, ENGO’s, as well as procurement specialists from other EU countries and the European Commission. In addition, an advisory Steering Committee followed the evaluation process more closely and provided recommendations for follow-up-actions to the Danish Minister for the Environment.

The evaluation involved 3 separate tasks:

- A survey of how guidelines are being used and an assessment of options for further action, including expansion of the guidelines to cover all kinds of timber and the introduction of more binding rules for public purchase of timber. The user survey indicated that the present guidelines are not being widely applied by public sector procurement officials. The report suggests that significant improvements may be achieved through development of more detailed operational guidance better targeted towards different user groups. The survey indicated that the total value of Danish consumption of timber and timber products is around DKK 28 billion out of which public consumption accounts for roughly DKK 2,6 billion or slightly less than 10 percent.
- A comparison with policies and guidelines in UK, Netherlands, France and Germany. The report shows that Denmark, the Netherlands, France and UK have all developed public procurement policies for timber with the same overall objective, namely that the timber purchased should be produced in a legal and sustainable manner. Most other EU countries are not actively pursuing public procurement policies for timber. The analysis shows that, unlike Denmark, the policies in France, the UK and the Netherlands cover all types of timber and that in these countries more or less binding rules for state departments have been introduced. No countries covered by the study have introduced binding rules for local governments. The analysis also indicates that when it comes to specific requirements, there are substantial differences between the policies in the four countries. Differences include definitions of legal and sustainable timber and requirements for documentation. For example, while social concerns have been omitted from the UK requirements, these concerns are included in the Danish model. The analysis also highlights inconsistencies in the Danish model, as well as the need for updates in the guidance on certification schemes.
- A review of the judicial basis for the Danish guidelines including the legitimacy of: an exclusive focus on tropical timber; the inclusion of social criteria; and binding rules for public timber procurement. The report concluded that the current exclusive focus on tropical timber is problematic. Regarding social concerns it is concluded that *“whilst these are important elements in requirements for sustainable timber it is also a judicially difficult criterion to deal with, about which more precise guidance as to how it can be included is needed”*.

Following on from the evaluation, the Danish Environment minister launched a new 9-point-plan for further development of the policy, to include: extending the policy to all types of timber; review and update the requirements for legal and sustainable timber, as well as the criteria for and assessments of certification schemes and alternative means of documentation; improve the clarity of the guidance material; development of a timber tracking project in Russia.

More details are available at:

[http://www.skovognatur.dk/Emne/Skov/Miljoe/Indkoeb/Expanded\\_summary.htm](http://www.skovognatur.dk/Emne/Skov/Miljoe/Indkoeb/Expanded_summary.htm)

### **3.3 France**

The French Advice Note on timber procurement focuses particularly on “first transformation” wood products (plywood, sawing products, veneering products). State public buyers must ensure that timber used to carry out public works must originate from sources that guarantee sustainable forest management. The Advice Note does not discriminate between tropical timber and timber from other forests. Until such times as the regulation is revised, all certification schemes are acceptable as sustainable and the regulation does not name any specific SFM certification scheme. Moreover, public procurers are advised that, when they refer to a certification scheme, it is mandatory to accept any proof of equivalency given by any supplier.

For ‘legal timber’, public procurement officials are advised to:

- Request compliance with CITES rules;
- Write into the contract a warranty clause - when asked by the public body, the contractor has to prove that the delivered products comply with the required SFM specifications during the period of execution of the contract and during the warranty period,;
- Request information relating to the origin of timber - including country or harvest, name of species, name & trade name & address of the supplier of the product.

In cooperation with the French Ministry for Environment and Sustainable Development, a Working Group on Environmental Public Procurement has been established which is undertaking a range of initiatives to expand the scope and quality of guidance. The Group consists of representatives from various Ministries, trade and industry bodies and external experts. In December 2005, the Working Group published a guidebook on environmental specifications for procurement of copying and printing paper. It is now preparing another guidebook to urge public bodies and public procurers to increase the content of wood product when planning and buying buildings and public works. The document should be available before the end of 2006.

### **3.4 Germany**

#### **3.4.1 Criteria for certification schemes close to completion**

The German Ministry for Food, Agriculture and Consumer Protection (BMELV) is close to finalising a catalogue of criteria for certification systems that satisfy Germany's environmental procurement specifications. The Ministry will not assess national schemes, only international certification standards. Contacts suggest the criteria will favour both FSC and PEFC certified products, but will recognise "comparable standards".

#### **3.4.2 Chemical analysis to identify origin of timber products**

WWF Germany and the German Environment Fund (Deutsche Bundesstiftung Umwelt) have commissioned the development of a chemical method – based on an analysis of isotopes contained in the wood - to verify the origin of timber products. Although the method will not allow precise identification of the forest origin, it should allow the exclusion of particular regions. WWF is currently collecting isotope samples from various regions and species that may be used to assess timber products supplied by German vendors.

### **3.5 Italy likely to develop green procurement guidelines**

The presidential elections in Italy (April 2006) brought a change in government. The new Government is expected to continue to support the FLEGT program, although no specific plans for implementation in Italy have yet been published.

Recent contacts with the government officials in Italy indicate that development of public procurement policy in the country is managed by CONSIP – in English the "Public Information Services Agency" (website: [http://www.consip.it/sc/acq\\_rete.htm](http://www.consip.it/sc/acq_rete.htm)). CONSIP is in charge of managing all procurement and contracts of the Public Administration (including State, Regions, Municipalities and other public bodies). CONSIP is under the umbrella of the Ministry of Economy and Finances (MEF). However, discussions relating illegal logging and FLEGT are managed under the Ministry of Agriculture and Forestry (MIPAF). It seems that so far the CONSIP people have not been involved in any of the meetings linked to illegal logging and therefore there has been no progress to develop a procurement policy specifically for timber.

However, officials at MIPAF believe this situation is likely to change. One official noted in May 2006 that "*I think implementation of the FLEGT Regulation will force all Italian government bodies to join efforts to improve green procurement practices. Besides, this is in the interests of the Italian furniture industry - they are already asking us to respect and to promote green procurement criteria and the FLEGT Regulation*".

## **3.6 Spain**

### **3.6.1 New Forest Law encourages public procurement policies**

On 6 April 2006, the Spanish Congress approved the new Forestry Act. The law promotes forest certification of the State forests and measures to combat illegal logging and the associated trade. Public authorities are advised to adopt appropriate measures to avoid purchasing timber products deriving from illegal logging, and to give preference to certified products in public tenders. The central Government does not provide guidance on the details or time frames for implementation of these procurement measures. Public authorities at national regional and local level are responsible for developing their own policies.

### **3.6.2 WWF Spain assesses local government green procurement**

WWF Spain has developed a system to regularly assess the timber procurement activities of the major local administrations. A questionnaire has been developed which local administrations with populations of more than 20,000 are asked to complete. WWF then assesses the level of commitment to green timber procurement based on their response to the questionnaire. Local administrations that do not respond are automatically placed in the "red list" of authorities that WWF considers are not acting responsibly. So far 5 local authorities have been placed in the green list comprising those that have implemented a responsible timber procurement policy, that have an approved plan of action, and/or a system to identify the origin of all wood. The most prominent local authority in the green list is Barcelona. The amber list, containing local authorities that possess a responsible procurement policy, or that have informed WWF they will be introducing such a policy, contains around 42 local authorities. The red list contains the remaining 295 local authorities.

[http://www.wwf.es/bosques\\_comercio/observatorio\\_wwfadena.php](http://www.wwf.es/bosques_comercio/observatorio_wwfadena.php)

## **3.7 United Kingdom**

### **3.7.1 New eco-homes standard released**

In April 2005, the Building Research Establishment (BRE) belatedly released the 2006 version of the Ecohomes guidance document. Ecohomes is the residential component of BRE's Environmental Assessment Method (BREEAM) which scores the environmental performance of buildings through their entire life-cycle. Ecohomes and BREEAM are playing an increasingly important role in guiding procurement practice in the UK, now that all new publicly supported housing projects in the UK must be assessed under BREEAM, while the private sector is being encouraged to adopt the scheme, both through direct grants and as a means of facilitating planning applications. Contacts in the UK timber industry suggest that BREEAM and Ecohomes are now probably a more important factor driving companies to source certified wood than the UK government's procurement policy.

The guidance includes numerous positive factors for the timber industry. It is noted that "*Responsibly sourced timber products are arguably the most renewable and low impact construction material in common use*". Overall the guidance should encourage increased use of timber in construction in recognition of its carbon sequestration properties and low embodied energy, excellent insulation properties, and ease of disposal. Additional credits are also available for responsible sourcing, the highest of which are only available for independently certified timber. The guidance also includes recognition that non-wood products should be subject to similar scrutiny with regard to environmental management at source, which may be seen as a significant step forward for the wood industry.

But questions continue to be raised over BRE's allocation of points for responsible sourcing to the

various certification brands. The 2006 guidance allocates certification schemes into 4 tiers as follows:

1. Legality & responsible sourcing scoring 3 points per building element for product certified to FSC, CSA, and SFI (with CoC).
2. Legality & responsible sourcing 2 points per building element for product certified to the PEFC.
3. Legality & responsible sourcing scoring 1.5 points per building element for products with certified environmental management system (ISO14001 or EMAS) at the process and extraction stage
4. Legality & additional issues scoring 1 point per building element for product certified under MTCC, Timbmet "Verified" system for legal verification, or an SGS or TFT chain of custody system, or product with a certified environmental management system at the process stage.

The guidance indicates that points available for ISO14001 or EMAS certification at the process or extraction phase (ISO, EMAS etc.) may not be applied to new timber as these systems "do not demonstrate timber certification."

The methodology to calculate the total number of credits awarded for responsible sourcing in a building is complicated and relies on: dividing the building into a number of "elements" (e.g. frame, ground floor, upper floors etc); calculating the proportion of each material in each element (e.g. timber, brick, steel - by volume); allocating points to each material in the building element based on volume and tier; calculating the total number of points per element; summing the total number of points achieved for all elements; and using this figure to determine the total number of credits.

A maximum of 6 credits can be achieved for the basic building materials. If all elements are present in the building, achieving the maximum requires a total of 18 points. Therefore achieving this maximum would require that the majority of the frame, upper floors, ground floor, internal walls, external walls, and staircase are composed of timber and that this is certified either to FSC, CSA, or SFI.

The same set of rules is applied for responsible sourcing of "finishing elements" such as: stair handrails and balustrades; window frames, boards and sills; external & internal doors; skirting; panelling; and fitted furniture. These elements can contribute a maximum of 3 credits in total.

The extent to which the credits for "responsible sourcing" may contribute to a final Ecohomes rating is equally convoluted. The 9 credits available for responsible sourcing contribute to a total of 31 available under the "Materials" section of Ecohomes. In addition to the Materials section, there are sections covering: Energy; Transport; Pollution; Water; Land Use and Ecology; Health and Wellbeing; and Management. There are a total of 107 credits available across all sections. However a weighting factor is applied to each section to give an overall score out of 100. One complication of this is that each credit is not worth an equal amount, varying between 0.48% (Materials) and 2.14% (Pollution). The overall score dictates a rating of 'Pass', 'Good', 'Very Good' or 'Excellent'. Over 70 achieves an 'Excellent'.

Questions have been raised concerning the level of transparency during the process to allocate credits for responsible sourcing. The guidance document notes that "*credits are awarded for responsible sourcing of timber i.e. through auditable third party certification schemes....based on the UK Government's CPET study. Tiers have been allocated based on the CPET report and BRE work advised by the EcoHomes Timber credits advisory groups. A number of issues were considered when allocating certification schemes to tiers. The process took account of issues such sustainable forest management practices, consultation process with local community by forest management company/owner at the forest management level, and Chain of Custody procedures.*"

This is the only explanation given for BRE's decision to deviate in certain important respects from the CPET assessment, for example in allocating a lesser number of points for PEFC vis-à-vis FSC, CSA and SFI. BRE has never published any criteria for comparing schemes, nor made available details of its internal assessments. Even members of the Timber Certification Advisory Group - which in theory is meant to advise on the allocation of certification credits - have complained that they were not



given the opportunity to comment on allocation of credits prior to publication.

### **3.7.2 PEFC still not approved as 'sustainable' by CPET**

The UK Government continues to accept PEFC certified products as legal and sustainable, but PEFC is still on probation (probably until the end of 2006). The Government's Central Point of Expertise on Timber (CPET) reassessed the PEFC national schemes against the changes made to the PEFC international standards. Last year, the PEFC was accepted as assurance of 'sustainable' with the proviso that endorsed national schemes adopt the new requirements to the Government's satisfaction. A sample check recently undertaken for the Government by CPET indicated that not all the PEFC national schemes are fully adopting the new requirements. CPET is the UK Government's own centre for developing and implementing its Sustainable Timber Procurement Policy.

<http://www.defra.gov.uk/news/2006/060330g.htm>

### **3.7.3 CPET review criteria**

CPET is now in the process of reviewing the Category A criteria used to assess forest certification schemes, and is drafting a set of Category B criteria that will be used for assessing other evidence of the legal and sustainable status of wood products supplied to public sector contracts in the U.K. An on-line consultation on both documents ran from mid-February to 18 March 2006. No results of this consultation have yet been released, but contacts involved in the CPET Reference group, which advises government policy, indicate that over 180 pages of comments have been submitted.

The level of interest is indicative of the fact that this consultation was the first opportunity offered by the UK government in over 3 years for stakeholders not involved in the Reference Group - which comprises only WWF, FERN, Timber Trade Federation (timber importers) and Confor (UK industry) – to offer formal comment on the UK government criteria. Contacts indicate in the Reference Group suggest that, despite the wide range of comments received, there is unlikely at this stage to be any significant alteration to the criteria, with the possible exception that social elements may be added (see 2.1.3). CPET is committed to publishing all comments received, although to date these have not been made available.

### **3.7.4 London authorities implement timber procurement policies**

According to a questionnaire survey conducted by WWF UK, around half of London's 27 councils have a policy relating to responsible procurement of both timber and paper, and up to a third appear to be fully implementing this policy. The survey indicated that:

- half of the councils responding included environmentally responsible purchasing criteria in their tender specifications for forest products and were using forest certification systems, with a strong endorsement of Forest Stewardship Council certified products or equivalent.
- a third of the councils that responded requested documentary evidence of certified product status from contractors and suppliers.
- only three councils collected information on the actual amount of timber they purchased, although the data collection process was piecemeal and not used effectively.

Further details:

<http://www.wwf.org.uk/filelibrary/pdf/capitaloffence.pdf>

### **3.7.5 London Olympics a major opportunity for sustainable timber**

The UK's Timber Research and Development Association has released a report - commissioned

by Wood For Good - analysing the opportunities for the timber industry that may arise from London's hosting of the 2012 Olympics.

The report highlights the significant impact that the games will have on the UK economy. Current UK construction industry output is £102.4 billion a year. The Olympics will add an extra 10 per cent to that- some 30,000 construction jobs will be created; house prices in the east of London are predicted to rise by up to 15 per cent and the whole country is expected to see a tourism surge both before and after the Games. The Olympic Park in east London lies at the heart of London's plans for the 2012 Games. The 500-acre site in Stratford provides a compact, secure and easily accessible home for the Games. Nine new venues will be situated within easy walking distance of each other, allowing competitors and spectators to experience the unique atmosphere of an Olympic Games. Around £7 billion worth of transport infrastructure was already planned and is to be completed for 2012.

The three key stakeholders in the Olympics – the Mayor, the Government and the British Olympic Association – share ultimate responsibility for delivering a successful Games. A "London Organising Committee for the Olympic Games" (LOCOG) has been established as the single point of contact with the International Olympic Committee. It has responsibility for organising, publicising and staging the 2012 Games. An "Olympic Delivery Authority" that is fully accountable to the Government and the Mayor will be established some time in 2006 to be responsible for managing the public money that will be spent preparing the venues and infrastructure in time for 2012. Most tendering opportunities will be publicised by the ODA when it is established, and by the LOCOG.

A set of draft procurement principles has been prepared that will guide the existing programmes of contract-letting. In due course, a detailed Procurement Strategy for the London Games will be drawn up. The procurement principles, approved by key Olympic stakeholders, are designed to ensure that:

- Sustainability lies at the heart of the delivery of the London Games
- Facilities meet the highest standards of design quality – and are of lasting use
- Local people are given every opportunity to benefit from the new jobs before and after the Games
- The Games are the most environmentally friendly ever
- The Olympic projects bring lasting economic, social and environmental benefits to London through regeneration and the creation of a lasting legacy.

There is also a clear and stated intention to adopt the techniques of Modern Methods of Construction (MMC) including prefabrication and demountability. The emphasis on MMC combined with a focus on sustainability, suggest very real opportunities for the timber sector. This is particularly the case as - according to TRADA - there is little evidence of other material sectors yet making an organised and concerted effort to promote their product as a good material to use during the Olympics.

However the report emphasises that the process is still at a very early stage. On the environmental side, details of the sustainability criteria to be used during the awarding of contracts have not yet been agreed. But these are likely to be demanding, given that sustainable development is now one of the guiding principles of the Olympic movement. As part of their bid, the campaign to attract the Olympics to London - "London 2012" - also worked closely with WWF to develop the concept of a "One Planet Olympics", which seeks to establish a link between the aspirations of Agenda 21 and the objectives of the Olympic movement. A set of "One Planet Olympics" principles have been established which emphasise, amongst other things use of local, recycled and reclaimed materials, and robust procurement systems. Given WWF's close interest in the Games, there is sure to be a lot of pressure to make these an FSC-only event.

More details at:

[www.woodforgood.com/events/resource/Olympic\\_Feasibility\\_Report\\_Jan\\_2006.pdf](http://www.woodforgood.com/events/resource/Olympic_Feasibility_Report_Jan_2006.pdf)

### **3.7.6 New building standards to tackle climate change**

In March 2006, the UK government announced a range of measures designed to increase the energy efficiency of homes and address climate change. The measures involved strengthening the Code for Sustainable Homes alongside the introduction of new tougher building regulations.

The new building regulations set mandatory standards that every new home must meet. The regulations, which came into effect on 6 April 2006, aim to raise the energy efficiency of new buildings by 40 per cent compared to 2002.

Strengthening the Code for Sustainable Homes involves setting higher standards for new homes to be rated against, in order to increase environmental sustainability and give home owners better information about the running costs of their homes. In addition energy efficiency ratings - which form one component of the Code - will be made mandatory for new homes and existing homes. The ratings will be included in energy performance certificates set out to EU standards.

More information:

<http://www.odpm.gov.uk/index.asp?id=1002882&PressNoticeID=2093>

### **3.8 Procurement policies proposed in Norway**

A report for the Norwegian Ministry of the Environment on “*International Initiatives to Address Tropical Timber Logging and Trade*”, suggests that a public procurement policy, industry code of conduct and other private sector initiatives are required in Norway. The report examines international and regional initiatives to control illegal logging, with a particular focus on the Forest Law Enforcement and Governance (FLEG) processes and EU Forest Law Enforcement, Governance and Trade (FLEGT) action plan, and how Norway may engage with the FLEGT process.

[http://www.illegal-logging.info/papers/FNI\\_Norwegian\\_Procurement.pdf](http://www.illegal-logging.info/papers/FNI_Norwegian_Procurement.pdf)

## **4. Environmental campaigns**

### **4.1 Greenpeace: Kayu Lapis Indonesia**

Greenpeace has released a report criticising Kayu Lapis Indonesia (KLI), one of the largest logging and timber processing companies in Indonesia with plywood mills located on Java and Papua. KLI is the biggest concession holder in Papua province. The report claims that the company is engaged in unlawful business practices, human rights abuses and corruption. Greenpeace also published the names of some major importing companies in Japan, the US and Europe (the Dutch Oldenboom and PontMeyer).

<http://www.greenpeace.org/raw/content/international/press/reports/kayu-lapis-crime-file.pdf>

### **4.2 EIA: ‘Behind the Veneer’**

In a new report, the Environmental Investigation Agency (EIA) and the Indonesian NGO Telapak accuse leading US and European importers and retailers of making false environmental claims relating to the origins of merbau flooring. EIA claim that consumers of merbau flooring are being misled into buying illegal timber stolen from the forests of Indonesia’s remote Papua Province. The report suggests that environmental claims - including FSC certification - are being misused by the companies to assure legal and sustainable sources of their products. The ENGOs call on Governments to act - in particular to introduce legislation in the US and Europe to prohibit the import and sale of illegally sourced timber and timber products. The paper mentions various importers (Bruce/ Armstrong, Junckers, Tarkett, Kahrs, Goodfellow) and retailers (The Home

Depot, Lowe's, John Lewis, Travis Perkins, Jewson, Leroy Merlin).

Report: <http://www.eia-international.org/files/reports117-1.pdf>

Press release UK: <http://www.eia-international.org/cgi/news/news.cgi?t=template&a=300&source=>

### **4.3 Greenpeace: 'Sharing the Blame: Global Consumption and China's Role in Ancient Forest Destruction'**

In their report "Sharing the Blame: Global Consumption and China's Role in Ancient Forest Destruction", Greenpeace report on the environmental role of the Chinese timber industry and its impact on trade in forest products. According to the NGO, Western consuming markets of Chinese products are contributing to the destruction of the world's remaining 'paradise forests'. They are also enjoying the cheap production costs of timber products illegally sourced around the world which are being 'laundered' and processed in China. The report calls for Governments and industry to introduce procurement policies giving preference to legal and ecologically responsible logging practices. It also suggests that all Governments should implement legislation to prohibit the trade in timber products from illegal and unsustainable sources.

<http://www.greenpeace.org/raw/content/international/press/reports/sharing-the-blame.pdf>

Greenpeace Germany have published an annex to 'Sharing the Blame', identifying German companies that import bintangor and similarly controversial plywood products from China. Of the 10 companies listed, 2 immediately announced their withdrawal from business in bintangor-faced plywood from China.

[http://www.greenpeace.de/fileadmin/gpd/user\\_upload/themen/waelder/FS\\_Sharing\\_the\\_Blame\\_-\\_deutsche\\_Kurzfassung\\_final\\_final.pdf](http://www.greenpeace.de/fileadmin/gpd/user_upload/themen/waelder/FS_Sharing_the_Blame_-_deutsche_Kurzfassung_final_final.pdf)

### **4.4 WWF Government barometer on illegal logging update**

The WWF recently updated its "Government Barometer" which compares the commitment of European countries to tackling illegal logging. According to the NGO, the best performing countries are the UK, the Netherlands, Denmark, Latvia and Belgium. The UK decreased in its total scoring, mainly due to a lack of support for EU-wide legislation to prohibit the import of illegal timber, and lack of a national action plan. The Netherlands doubled its scores in the rating as WWF recognised Dutch efforts to work with producer countries, to improve collaboration across Government departments, and to participate in partnerships combating illegal logging.

[http://www.panda.org/about\\_wwf/what\\_we\\_do/forests/index.cfm?uNewsID=66680](http://www.panda.org/about_wwf/what_we_do/forests/index.cfm?uNewsID=66680)

## **5. Events**

**ITTO International Tropical Forest Investment Forum**, Cancún, Mexico, 26<sup>th</sup> April

**Finnish Embassy Berlin, Russia-Finland-Germany, Seminar on sustainability and trade in illegal timber**, Berlin, Germany, 2<sup>nd</sup> May

**CPET Reference Board Meeting**, London, UK, 11<sup>th</sup> May

**Antalya Workshop on the Implementation of the ENA FLEG Ministerial Declaration**, Antalya, Turkey, May 16-18

**ITTO Expert Meeting on the Effective Implementation of the Inclusion of Ramin in Appendix II of CITES**, Kuala Lumpur, Malaysia, 16-19 May

**Transparent Timber Flows in the Baltic Sea Region**, Riga, Latvia, June 8-9

**East and South Africa Regional Forest Investment Forum**, Pietermaritzburg, South Africa, June 13-15

**33<sup>rd</sup> Session of the European Forestry Commission (EFC):** The 33rd session of the EFC will convene in Bratislava, Slovakia, from 23–26 May 2006. For more information contact: Kit Prins; e-mail: [christofer.prins@unece.org](mailto:christofer.prins@unece.org); Internet: <http://www.fao.org/forestry/site/31096/en>

**International Tropical Timber Council, 40<sup>th</sup> Session:** ITTC-40 and associated sessions of the Committees will convene from 29 May-2 June 2006, in Mérida, Mexico. 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](mailto:itto@itto.or.jp); Internet: <http://www.itto.or.jp>

**17<sup>th</sup> Session of the Near East Forestry Commission (NEFC):** The 17th Session of the NEFC will take place in Larnaca, Cyprus, 5–9 June 2006. Participants will attend a special session on implementing sustainable forest management in the Near East. For more information contact: Hassan Osman Abdel Nour; e-mail: [hassan.abdelhour@fao.org](mailto:hassan.abdelhour@fao.org); internet: <http://www.fao.org/forestry/site/31113/en>

**24<sup>th</sup> Session of the Latin American and Caribbean Forestry Commission (LACFC):** The 24th Session of the LACFC will be held in Santo Domingo, Dominican Republic, from 26–30 June 2006. Participants will attend a special session on implementing SFM in Latin America and the Caribbean. For more information, contact: Carlos Marx R. Carneiro; e-mail: [carlos.carneiro@fao.org](mailto:carlos.carneiro@fao.org); Internet: <http://www.fao.org/forestry/site/31107/en>

**23rd Session of the North American Forestry Commission (NAFC):** The 23rd session of the NAFC will be held in British Columbia, Canada, in October 2006. For more information, contact: Douglas Kneeland; e-mail: [douglas.kneeland@fao.org](mailto:douglas.kneeland@fao.org); Internet: <http://www.fao.org/forestry/site/31118/en>